

**JOB DEVELOPMENT
IN KING COUNTY'S URBAN CENTERS:
FACTORS THAT INFLUENCE AND TOOLS THAT INCENTIVIZE
FIRM LOCATION**

BY

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EXECUTIVE SUMMARY

Like many other urban areas throughout the country during the last half of the 20th Century, the growth patterns in the Puget Sound metropolitan region have displayed hallmarks of sprawl, causing a disturbing set of regional problems. Regional efforts to manage this sprawling growth gathered strength in 1990 with the passage of the Washington State Growth Management Act, which mandated that counties, including King County, focus development in Urban Growth Areas and establish countywide planning policies to guide county and city comprehensive planning. King County's Countywide Planning Policies (CPPs) established the Urban Growth Area for King County and encouraged dense infill development in fifteen primarily commercial areas known as "Urban Centers".

The goal of the Urban Center strategy in King County is to create vibrant, compact mixed-use neighborhoods built around transit that provides concentrated access to housing, jobs, amenities, activities, and transportation. To determine if this goal is met, Urban Centers have a collective target for job and housing growth: up to 25% of new housing and 50% of new jobs in King County should be established in Urban Centers by 2022. While some Centers appear to have experienced strong growth since they were designated, others have not. Because the goal for Urban Center growth in King County is collective, it has often been difficult to unpack either the factors of Urban Center success, or the factors of Urban Center stagnation. At the request of King County, this research addresses the following research questions: ***what are the key factors that influence job growth in Urban Centers in King County, and what tools can local governments use to encourage further job development.***

In order to answer these questions, two research methods, a review of the literature and stakeholder interviews, were employed to help identify factors that influence job growth and the strategies and tools that cities in King County and elsewhere are using to incentivize job growth. As well, an analytic framework was created to link the factors that influence job growth to a "desired alignment of factors",

job development strategies and job development tools. This framework provides a way to synthesize the various goals, strategies and tools that are being used, or can be used, to develop greater Urban Center employment now and in the future. As well, it was determined that not all tools identified in the analytic framework will be applicable to all Urban Centers. Thus, a second matrix was created to align the tools from the analytic framework with identified categories of Urban Centers to determine which tools will be most beneficial in implementing job development strategies and strengthening job growth.

Due to the fact that there are many factors, strategies and tools identified in this research, the findings of this report are not listed in this summary. However, the findings are concisely summarized in Diagram 4.2 of this report, *Job Development Matrix*, and Table 5.2, *Urban Center Categories that Would Benefit from Job Development Tools*. As well, all of the factors that influence firm location, strategies that incentivize firm location and tools used to implement job development strategies have been listed in Chapter 4 of this report. These tables and lists, and where they are located in this report, are identified in the Tables and Graphics listing on page iii of this paper.

In addition to these findings, some major themes surrounding the content of the research are also identified. These themes are: centers are unique; new job growth and development are predominantly dictated by the private market and private firm decision-making; many successful strategies and tools rely on public-private partnerships; and strong local leadership drives strong Urban Centers and job development strategies. Additionally, further areas of study are identified, as are two policy suggestions for how the CPPs measure the success of the Urban Center Strategy. As well, all fifteen King County Urban Centers are quantitatively and qualitatively described in Chapter 3 and in the Appendix D of this report.

CHAPTER 1: INTRODUCTION

1.1 Background

Like many other urban areas throughout the country during the last half of the 20th Century, the Puget Sound metropolitan region's growth pattern moved away from its central cities and into low-density suburban areas. The dispersion of growth into suburban areas displayed many hallmarks of sprawl, which caused a disturbing set of regional problems, including "traffic congestion, air pollution, large scale consumption of open space, extensive use of energy for movement, inability to provide adequate infrastructure, shortages of affordable housing where new jobs were being created, and suburban labor shortages."¹ The resulting problems related to sprawl have been slowly eroding the region's cherished high quality of life. Regional efforts to manage growth gathered strength in 1990 with the passage of the Washington State Growth Management Act, which mandated that counties focus development in Urban Growth Areas and establish countywide planning policies to guide county and city comprehensive planning.

King County, the largest county in the State of Washington and situated in the center of the Puget Sound region, adopted its Countywide Planning Policies (CPPs), in 1994. The CPPs established the Urban Growth Area for King County, provided the land use, transportation, economic development and critical areas framework for the county, and encouraged infill development in fifteen primarily commercial areas known as "Urban Centers".² For a map of the King County Urban Growth Area and designated Urban Centers, please see Appendix A. As well, each of the fifteen

¹ Downs, Anthony, *Some Realities about Sprawl and Urban Decline*, (1999). Downs identifies 10 traits that produce problematic sprawl: 1) unlimited outward extension of development; 2) low-density residential and commercial settlements; 3) leapfrog development; 4) fragmentation of powers over land use among many small localities; 5) dominance of transportation by private automobile; 6) lack of centralized planning or control of land uses; 7) widespread strip commercial development; 8) great fiscal disparities among localities; 9) segregation of types of land use in different zones; and 10) reliance mainly on the trickle-down or filtering process to provide housing to low-income households.

² Growth Management Planning Council, *Countywide Planning Policies*, (2005).

Urban Centers will be discussed in greater detail in Chapter 3 and in Appendix D of this report.

The goal of the Urban Center strategy in King County is to create vibrant, compact mixed-use neighborhoods built around transit that provides concentrated access to housing, jobs, amenities, activities, and transportation. To determine if this goal is met, Urban Centers have a collective target for job and housing growth: up to 25% of new housing and 50% of new jobs in King County should be established in Urban Centers by 2022.³ To measure progress in implementing the CPPs, the King County Benchmarks Program produces an annual report that tracks 45 growth management indicators. According to their 2005 Land Use Report, between 1995 and 2004, the fifteen Centers collectively drew roughly 19% of the new housing in the County. As well, 26% of the County's new jobs were created in Centers between 1995 and 2003.⁴

While some Centers appear to have experienced strong growth, others have not. Because the goal for Urban Center growth in King County is collective, it has often been difficult to unpack either the factors of Urban Center success, or the factors of Urban Center stagnation. What are the factors that have influenced job and housing growth? Can job and housing growth be incentivized in Urban Centers by the cities in which they lie? At the request of the King County Benchmarks Program, this research addresses the following research questions:

- *What are the key factors that influence job and housing growth in Urban Centers in King County?*
- *What tools can local governments use to encourage further development of jobs and housing?*

³ Growth Management Planning Council, *Countywide Planning Policies*, (2005).

⁴ King County Office of Management and Budget, *King County Benchmarks Land Use Bulletin*, (2005).

Specifically, this paper will look at the key factors that influence *job growth* in Urban Centers in King County, and the tools that local governments can use to encourage job development.

In order to answer these questions, this report is organized into six sections, followed by Appendices and References. The six sections are organized as follows:

1. **Introduction:** Presents the research questions posed and provides the background and context related to the Urban Center Strategy and Growth Management in King County.
2. **Methodology:** Describes the methodology used in conducting this research.
3. **Urban Centers Overview:** Briefly describes the designated Urban Centers in King County collectively and provides contextual information about them in relation to King County as a whole.
4. **Job Development Factors, Strategies and Tools:** Defines job development relative to Urban Centers, considers factors that influence job growth, explains the strategies being used by cities in King County to implement a desired alignment of factors in their Urban Centers, and describes the various tools being used by cities to implement their job development strategies.
5. **Aligning Tool Usage and Urban Center Categories:** Identifies various Urban Center categories based on common features shared among certain Urban Centers related to land use, and highlights which tools will be most beneficial to those categories of Centers to implement job development strategies and strengthen job growth.
6. **Major Themes, Further Areas of Study and Policy Suggestions:** Identifies the major themes of the analysis and recommends areas for future study and potential policy suggestions that may be useful to policy makers.

1.2 Context

Postwar Regional Growth in King County

During the postwar era, suburban development consumed two-thirds of King County's prime farmland. In the decades after WWII, a strong economy fueled largely by the Boeing Company provided jobs for local residents and attracted new growth. At this time, freeways were built to accommodate the new growth, including Interstate 5 and Interstate 90. New roads and freeways made travel faster and more convenient, reducing the costs of commuting and enabling consumers to enjoy cheap housing in the suburbs of King County while paying less for transportation. Most of Seattle's eastside and northern suburbs came into being during the "Boeing boom" of this time.

After the recession of the 1970's, a new wave of economic growth hit the region. Growth in international trade increased the value of Seattle's port and the advent of the personal computer launched Microsoft as one of the nation's leading software and technology companies. Suburban office development transformed some of the older suburbs, replacing their small service-commercial base with large industrial campuses and office parks. This economic boom stimulated population growth and a subsequent demand for housing, which created residential growth on the metropolitan fringe and placed growth pressure on previously rural areas.

VISION 2020

In the late 1980s, local government officials and growth management activists began working on a regional plan that eventually became known as "VISION 2020". Rather than being mandated by any state or federal law, it was developed by a regional planning agency called the Puget Sound Council of Governments (later becoming the Puget Sound Regional Council). VISION 2020 responded to the need for a shared vision that fosters a range of strategies to conserve open space, improve transit and ride-sharing, reduce dependence on single-occupancy vehicles, and produce more efficient development patterns. VISION 2020 called for

containing urban sprawl through the use of regional boundaries and a regional open space system. It organized urban development into compact communities, focusing on a hierarchy of central places, including Urban Centers throughout the region. VISION 2020 also called for the provision of a greater variety of housing choices, and the creation of a regional transportation strategy to include a high frequency, high-speed bus and rail transit system connecting the Urban Centers.

At the time (and still today), the Puget Sound Regional Council (PSRC) had no authority to implement or enforce the principles of VISION 2020. Concerned environmentalists proposed a statewide initiative to create a very strict growth management law, similar to the State of Oregon, which would have instituted centralized state control over land use. State officials instead passed the Washington State Growth Management Act, which emphasized local control of land use while providing a framework for growth management.⁵ The law required the three largest counties in the Puget Sound region, King, Pierce and Snohomish Counties, to work together to craft a regional growth management plan. The counties decided to use the existing VISION 2020 plan.

Growth Management in King County

The Washington State Legislature passed the Growth Management Act (GMA) in 1990 to address the problems of uncoordinated growth, suburban sprawl, and unchecked development of environmentally sensitive lands. According to the GMA:

The legislature finds that uncoordinated and unplanned growth, together with a lack of common goals expressing the public's interest in the conservation and the wise use of our lands, pose a threat to the environment, sustainable economic development, and the health, safety, and high quality of life enjoyed by residents of this state. It is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning.⁶

⁵ The GMA was strengthened in 1991 and amended several times since then to further define requirements.

⁶ Washington State Growth Management Act, *RCW 36.70A.010*, (2006).

The GMA requires that state and local governments manage growth by identifying and protecting critical areas and natural resource lands, designating Urban Growth Areas, and preparing and implementing comprehensive plans.

Importantly, the GMA does not centralize planning and decision-making at the state level, as mentioned above. Instead, the GMA established statewide goals, set deadlines for compliance, and offered direction on how to prepare local comprehensive plans and regulations. Building upon Washington's strong traditions of local governmental control and regional diversity, the GMA provides a framework that allows local governments many choices regarding the specific content of their comprehensive plans and development regulations.⁷

The GMA requires counties to focus development in Urban Growth Areas (UGAs), and requires counties and cities to develop a set of policies to guide development of each jurisdiction's comprehensive plan. Cities maintain control over land use decisions, but local plans must be consistent within a countywide framework. Realization of a countywide vision involves collaboration, trade-offs and difficult choices about the appropriate level of growth, its location, and the type of growth to be encouraged.

Through the Growth Management Planning Council (GMPC), jurisdictions within King County work together to plan for economic and population growth in King County. The GMPC is a formal body, currently chaired by King County Executive Ron Sims, which consists of elected officials from King County, cities and towns in King County, and special purpose districts. The GMPC developed and adopted the Countywide Planning Policies (CPPs), which provide the countywide vision mandated in the GMA and serve as a framework for each jurisdiction to develop their own comprehensive plan. The CPPs were first adopted and ratified by the cities in King County in 1994, and have been updated since, most recently in June of 2005.

⁷ Washington State Growth Management Act, *RCW 36.70A.010*, (2006).

Countywide Planning Policies – An Urban Center Strategy

The CPPs are the framework that the Metropolitan King County Council used when adopting the UGA in the 1994 King County Comprehensive Plan. In an effort to limit urban sprawl, enhance open space, protect rural areas and more efficiently use human services, transportation and utilities, most future growth and development is to occur within the UGA.⁸

The CPPs also include a strategy for concentrating housing and employment growth in designated “Urban Centers” with access to high-capacity transit, and a wide range of other land uses such as retail, recreational, public facilities, parks and open space. Thus, the UGA and the Urban Center strategy work in tandem; the former limits low-density uncoordinated growth on the fringe of the metropolitan region, while the latter encourages that growth in high-density mixed-use urban areas connected by transit. This is one of the King County’s primary strategies to coordinate and manage job and housing growth and combat some of the negative externalities of low-density metropolitan development. Specifically, the CPPs state that:⁹

Urban Centers shall be up to one and a half square miles of land. Infrastructure and services shall be planned and financed consistent with the expected rate of growth. For the purpose of achieving a long-range development pattern that will provide a successful mix of uses and densities that will efficiently support high-capacity transit, each Center shall have planned land uses to accommodate:

1. A minimum of 15,000 jobs within one-half mile of a transit center;
2. At a minimum, an average of 50 employees per gross acre; and
3. At a minimum, an average 15 households per gross acre.

The intent of the CPPs is to encourage the growth of each Urban Center as a unique, vibrant community that is an attractive place to live and work, supporting efficient public services including transit, and responding to local needs and markets for jobs and housing. According to the CPPs, Urban Centers are designed to:

⁸ The Countywide Planning Policies can be found online at the King County Department of Development and Environmental Services, Growth Management Planning Council website:
<http://www.metrokc.gov/DDES/gmpc/index.shtml>.

⁹ Growth Management Planning Council, *Countywide Planning Policies*, (2005).

- Strengthen existing communities;
- Promote housing opportunities close to employment;
- Support development of an extensive transportation system;
- Consume less land with urban development;
- Maximize the benefit of public investment in infrastructure and services;
- Reduce costs of and time required for permitting; and
- Evaluate and mitigate environmental impacts.

The CPPs also outline several characteristics for Urban Centers. These characteristics speak to the intent of the CPPs and to the vision of vibrant, walk-able, unique, 18-hour communities. They include:

- Intensity and density of land uses to support effective rapid transit;
- Pedestrian emphasis;
- Superior urban design that reflects the local community;
- Limitations on single-occupancy vehicle usage;
- A broad array of land uses and choices for employees and residents;
- Sufficient public open spaces and recreational opportunities; and
- Uses that provide both daytime and nighttime activities in the Center.

As Urban Centers strive to take on their share of King County growth and development, they grow at different rates. King County projects over 150,000 new households and nearly 290,000 new jobs countywide by 2022. In that time, Urban Centers should accommodate 25% of the County's housing growth, almost 38,000 new units, and 50% of the County's job growth, about 145,000 new jobs. In the report that follows, the factors that influence growth and development in Urban Centers in King County will be considered, and tools that cities can use to stimulate Center growth and development will be suggested.

CHAPTER 2: METHODOLOGY

This research was conducted jointly by Jeremy Valenta and John Norris, both Masters of Public Administration Candidates at the Daniel J. Evans School of Public Affairs at the University of Washington. However, in order to satisfy the requirements for the degree of Masters of Public Administration, it was determined that it was most appropriate that individual degree projects be submitted that address portions of the research questions posed. Thus, as stated in the introduction section, this report provides findings concerning factors that influence employment growth in King County Urban Centers, and the tools used to encourage further job development. For findings concerning housing growth and development in King County Urban Centers, please reference the Degree Project authored by Jeremy Valenta, titled *Encouraging Housing Development in King County Urban Centers*. It should be noted however that there is overlap in much of the research, description, and findings surrounding both job and housing development in King County Urban Centers, and that in order to fully understand the factors that influence growth and the tools used to incentivize it, both papers should be referenced in connection with one another.

The research conducted to create the findings for this report includes three primary methods: a survey of the literature, stakeholder interviews, and a descriptive statistical analysis of King County Urban Center data. All three of these methods were used to obtain as complete a picture as possible of the state of the Urban Centers in King County and the Urban Center Strategy as a whole. The remainder of this chapter describes these methods in greater detail, and provides an analytic framework for the analysis of the research findings that are described in Chapters 4 and 5 of this paper.

2.1 Literature Review

A literature review was completed first to determine what is already known about King County Urban Centers, what is happening locally, regionally and nationally concerning growth management strategies, economic development strategies and New Urbanist theory and application, and what sorts of factors and tools surrounding job and housing development have already been identified and analyzed. The literature review was conducted primarily using documents provided by the King County Benchmarks Program, municipal websites that provided access to comprehensive planning and economic development information, other various internet search engines and research websites, the University of Washington Graduate and Urban Planning libraries, the University of Washington online academic journal database, and documents and academic research provided by faculty and staff at the Daniel J. Evans School of Public Affairs at the University of Washington.

During this process, key pieces of literature were identified that helped direct the findings of this report. This began with a review of the literature focused on King County Urban Centers themselves, which have already been researched and studied, most notably by the Puget Sound Regional Council (PSRC). PSRC has produced multiple documents about Urban Centers in King County, including their Milestones report (2002), Development Toolkit (2003), and Designation Criteria for Regional Growth and Manufacturing Industrial Centers (2003). As well, this report builds on the work of additional research commissioned by the PSRC, including that of Dugan (2002), Jennings (2003) and Vasche (2003). In particular, Dugan found that the factors influencing development among the suburban King County Urban Centers were the presence of natural assets, pedestrian friendly amenities prior to development and the demand for multifamily housing and compact mixed-use development.

Much of the vision for Urban Center design is consistent with New Urbanism and Smart Growth ideals. Notably, Calthorpe (2001) makes a strong case for transit-oriented development (TOD) as a solution to problems related to sprawl, whereby transit stops become the focus of new pedestrian-friendly development that includes dense housing and a mix of other uses.

Also reviewed was literature about sprawl and growth management, especially as it is manifest in King County. King County's Urban Center strategy is outlined in its Countywide Planning Policies, and the Washington State Growth Management Act (1990) presents the growth management vision for counties and Urban Centers. As well, Downs (1999) cogently describes the problems of sprawl and the factors that contribute to it.

Also explored were texts and articles that discussed economic development and property development in order to identify factors that influence job and housing growth. MacLaran (2003) provides a general overview of the housing development field and insight into developer choice. Kroll and Landis (1990) describe factors that influence firm location, while Blakley and Bradshaw (2002) look at planning issues surrounding local economic development. Since Urban Center development is essentially infill development and urban redevelopment, the literature review covered these development practices specifically, including the Blaeser et al (2002) article on barriers to infill development and best practices to overcoming these barriers.

At the end of this report, a complete list of references is provided in the Annotated Bibliography, which is organized by theme. Also provided is Appendix G: *List of Useful Web Sites* that can be referenced for additional information. Due to the fact that there are many areas of study that have fed into this research, including regional growth management, housing development, economic development, New Urbanism, municipal land use, tax and fiscal incentives, etc., the literature review and bibliography are by no means complete. However, the sources referenced and cited have provided enough of the scholarly and practical foundation concerning

Urban Centers and their growth and development so as to thoroughly inform this paper.

2.2 Stakeholder Interviews

To understand the factors that influence job growth and the tools used by cities to incentivize job growth, Planning Directors in various King County cities, Economic Development Managers in various King County cities and an Economic Development Manager at King County were interviewed. These interviews were conducted either in person or via the telephone. All persons interviewed were asked roughly the same set of interview questions so that similarities and differences could be analyzed between interviewee responses. Two sets of interview questions were developed, one for Planning Directors and one For Economic Development Managers. For a listing of both sets of interview questions, please see Appendix C: *Interview Questions*.

In order to provide the greatest amount of coverage of Planning Directors and Economic Development Managers in King County, interviews were conducted collaboratively by both John Norris and Jeremy Valenta. However, it should be noted that not all of the Planning Directors and Economic Development Managers that have Urban Centers in their cities were interviewed. Due to time constraints, it was determined with King County Benchmarks staff that interviews would be conducted with those Planning Directors and Economic Development Managers who worked in cities with “representative” Urban Centers. Urban Centers were determined to be representative based on various characteristics such as predominant center land use, center transportation characteristics, center success at attracting new job and housing growth, center failure at attracting new job and housing growth, etc. Although not without fault, this method of conducting interviews seemed to provide the most coverage for gaining information about Urban Centers in King County given our resource constraints and their very different demographics,

geographic locations, markets and primary uses. For a list of all persons interviewed for this report, please see Appendix B: *Stakeholder Interviews*.

2.3 Qualitative and Quantitative Data Analysis

In addition to the literature review and stakeholder interviews, descriptive statistical analysis was completed so that the qualitative and quantitative data collected could depict a snapshot of each individual Urban Center in King County and inform the findings of this paper. This began with a qualitative and quantitative data collection process from many sources. All quantitative Urban Center data was provided by the King County Benchmarks Program, and originally obtained from either PSRC or cities in King County. Qualitative data was obtained by both John Norris and Jeremy Valenta via Urban Center site visits and Internet research.

The quantitative Urban Center data that was collected includes Urban Center population, housing units, households, employment and size characteristics, including center size, blocks and parcels. Most of the data collected starts in the year 1990 and extends until 2004. However, yearly data does not exist for almost all of the Urban Centers until the year 2000. Thus, between 1990 and 2000, data was collected every five years, in the years 1990, 1995 and 2000. All quantitative data that is used in this report is referenced as “King County Benchmarks Data”, unless otherwise noted.

It should be noted that there are some limitations in the quantitative data that was collected. Some of the data has been estimated for its current year, such as Urban Center population, which uses 2000 census tract population data to estimate 2004 Urban Center population. As well, yearly quantitative data does not exist for all designated Urban Centers. This is primarily due to the fact that not all King County Urban Centers were designated at the same time. The most recently designated Urban Centers, Auburn, Burien, and Totem Lake, only have employment and housing data beginning in 2002, for example. In general however, the quantitative

data is accurate and provides a framework for understanding Center activity and demographics.

The qualitative Urban Center data that were collected includes a physical description of the Center, transportation features and defined open space, the historical background of the Center, the vision for the Urban Center as defined in the city's comprehensive plan, and the overall Center assets and liabilities. All qualitative data was collected to obtain a greater understanding of the uses, regional context and activities that take place in the Urban Centers, and to provide King County Benchmarks with an inventory of Urban Center characteristics.

2.4 Analytic Framework

It was first hoped that the collection of quantitative data on each Urban Center would determine which Centers were experiencing strong growth and pinpoint the driving forces behind it, building on the work of Dugan, Jennings and Vasche. However, several problems emerged. First, the growth target in the CPPs is held by all Urban Centers collectively. Thus, it is possible to track how many new housing units are built and how many new jobs are created (or eliminated) in individual Centers each year, but it is impossible to determine individual Urban Center success based on these numbers, due to the fact that the CPPs have no individual targets for Urban Center success. As well, a plan to use quantitative data to convincingly connect “successful” Centers with key factors that influence job and housing growth was beyond the scope of this project.

Therefore, it was determined that using two of the three identified research methods (review of the literature and stakeholder interviews) to help identify factors that influence job growth, and the strategies and tools that cities in King County and elsewhere use to incentivize job growth, would be the most useful way to answer the posed research questions. The analytic framework that was created to accomplish this is a Job Development Matrix, which links the factors that influence job growth to

the desired alignment of factors, job development strategies and job development tools. This framework provides a way to synthesize the various goals, strategies and tools that are being used, or can be used, to develop greater Urban Center employment now and in the future. The Job Development Matrix will be discussed in Chapter 4 of this paper.

Each Urban Center is unique, but most have important elements in common with other Centers. For example, the land use patterns in some Centers are dominated by low-density deteriorating strip development with large parking lots, often called “greyfields”. These Centers require far different tools to encourage infill housing and job development than other Centers that have a historic downtown core, for example, which preserves an agreeable pedestrian scale and may already have a dense agglomeration of firms. Based on these distinctions, not all tools identified in the Job Development Matrix will be applicable to all Urban Centers. Thus, the second part of the analytic framework is to align the tools from the Job Development Matrix with identified categories of Urban Centers to determine which tools will be most beneficial for implementation of job development strategies. These categories will be discussed in Chapter 5 of this paper. This, along with the Job Development Matrix and supporting text, provides a response to the posed research questions.

CHAPTER 3: URBAN CENTER OVERVIEW

In order to better understand the factors that influence job growth and the strategies and tools cities can use to encourage it, it is important to first understand the individual characteristics of all fifteen Urban Centers in King County. As just mentioned, all fifteen Urban Centers are unique, and have many different traits related to historical contexts, land uses, transportation features, housing types, employment sectors and population. Describing these traits will provide a solid background of the Centers, and will lead to the discussion of categories of Centers in Chapter 5.

As of May 2006, there are currently sixteen designated Urban Centers in King County, although this report only covers fifteen (South Lake Union was just recently designated as an Urban Center, and therefore very little data exists for it)¹⁰.

Additionally, the Overlake neighborhood in Redmond will likely be designated an Urban Center in the near future, which will potentially bring the total to seventeen.¹¹

The sixteen currently designated Urban Centers are identified below in Table 3.1:

Table 3.1: Designated King County Urban Centers

Urban Center	City Located In	Year Designated by GMPC
Downtown Auburn	Auburn	2003
Bellevue Central Business District (CBD)	Bellevue	1994
Downtown Burien	Burien	2004
Federal Way CBD	Federal Way	1994
First Hill/Capitol Hill	Seattle	1994
Kent CBD	Kent	1994
Northgate	Seattle	1994
Redmond CBD	Redmond	1994
Renton CBD	Renton	1994
SeaTac CBD	SeaTac	1994
Seattle CBD	Seattle	1994
South Lake Union	Seattle	2005
Totem Lake	Kirkland	2002
Tukwila CBD	Tukwila	1994
University District	Seattle	1994
Uptown/Seattle Center	Seattle	1994

¹⁰ All information and data in this report are based on the fifteen Urban Centers designated prior to 2005.

¹¹ Growth Management Planning Council, *April 26, 2006 meeting*, author notes.

As described in section 1.2, the CPPs include a strategy for concentrating housing and employment growth in designated Urban Centers with access to high-capacity transit and a wide range of other land uses such as retail, recreational and public facilities, parks and open space. Typically, the Centers should be focal points within their cities and urban areas, and should be readily accessible from other points in the County. Most of the Centers are identified as either “Downtowns” or “Central Business Districts”, as these are areas where there has historically been an intensity of land use, especially for commercial purposes, a pedestrian emphasis, multiple transportation connections and a mix of residential and commercial uses. All of these are defined in the CPPs as traits by which Centers should be characterized.

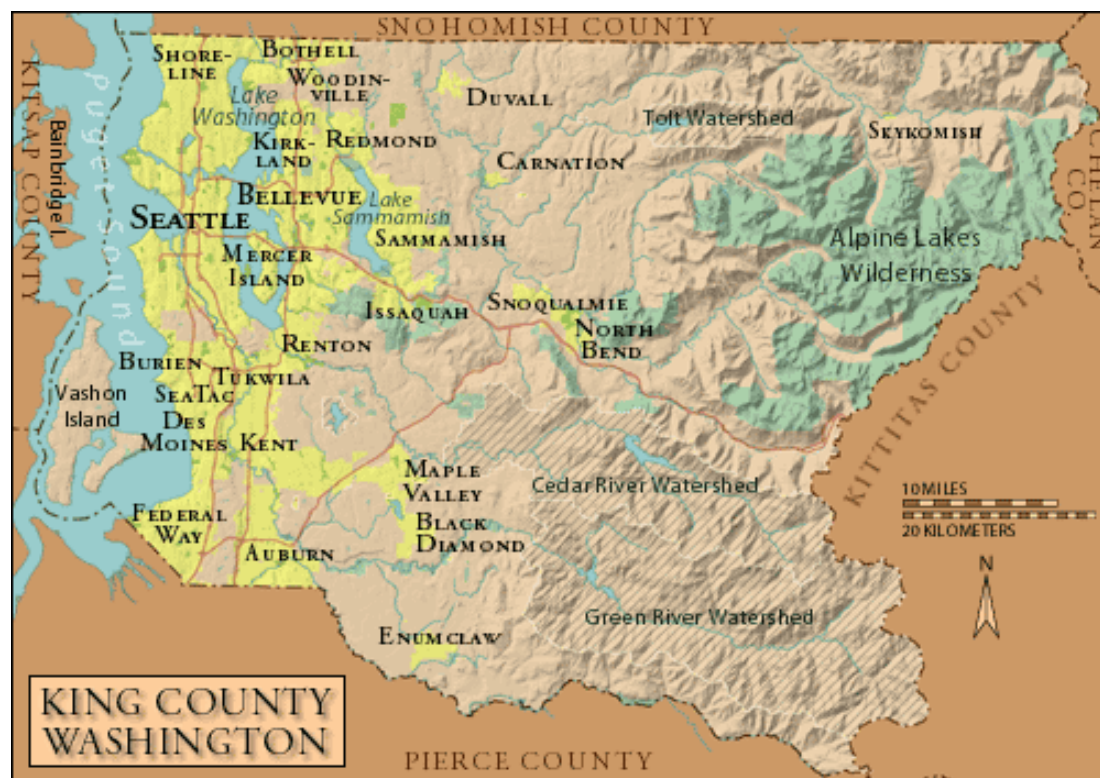
The remainder of this chapter will look at King County Urban Centers collectively and in relation to King County as a whole. For individual qualitative and quantitative descriptions of each Urban Center, please refer to the Appendix D: *Qualitative and Quantitative Urban Center Descriptions*. Appendix D briefly describes each Urban Center and provides data and information concerning Urban Center housing, employment, transportation connections, history, and Comprehensive Plan vision. Additionally, Appendix D provides maps identifying the boundaries of each Center and images that visually capture the Centers.

For additional descriptive information about most of the designated Urban Centers in King County, the Puget Sound Regional Council’s *Central Puget Sound Regional Growth Centers 2002* report is an excellent resource. Much of this chapter uses that report as a starting point, and attempts to update and augment the information provided. Due to the fact that the report was published in 2002, three currently designated Urban Centers (Auburn, Burien and Totem Lake) were not included in it, as they were not designated until after 2002. Thus, the Quantitative and Qualitative Urban Center Descriptions in Appendix D will provide descriptive information about these Centers, in addition to providing other relevant information about each of the Urban Centers.

Urban Center Land Use in Relation to King County

King County has a total area of 2,307 square miles, and is the 11th largest county in Washington State by area. 2,126 square miles of the county is made up of land and 180 square miles of it is water, accounting for 7.82% of the total area. Much of the landmass of King County is rural in nature, and encompasses mountains, wilderness, watersheds and natural resource extraction areas.

Figure 3.1: King County



All Urban Centers in King County are within the Urban Growth Area (UGA), and in 2000 represented just over 3% of that land.¹² For a map of the King County Urban Growth Area and designated Urban Centers, please see Appendix A. Table 3.2 identifies the amount of land that Urban Centers occupy in relation to the UGA and the County as a whole.

¹² Puget Sound Regional Council, *Central Puget Sound Regional Growth Centers*, (2002).

Table 3.2: King County Urban Center Land Use

King County Total Land Area (Sq. Miles)	UGA Land Area in 2000 (Sq. Miles)	Percent of King County in 2000 UGA	Urban Centers Land Area in 2000 (Sq. Miles)	Percent of Urban Centers in 2000 UGA
2,126.1	457.7	21.53%	14.00	3.06%

King County Buildable Lands Evaluation Report

The King County Buildable Lands Program, which collects data annually to determine the amount and density of new development in King County, also produces the *Buildable Lands Evaluation Report* every five years. This report determines the amount of land suitable for urban development and evaluates its capacity for growth based upon measurement of five years of actual development activity. The *Buildable Lands Evaluation Report* was last produced in 2002, and is currently being updated for its 2007 publication date.¹³

According to the report, the Buildable Lands Program strives to answer four key questions:¹⁴

- What is the amount and actual density of growth in recent years?
- Is the capacity of the land supply adequate to accommodate current growth targets?
- Has development occurred at densities consistent with planning assumptions and targets?
- Are urban densities being achieved within the Urban Growth Area?

The Buildable Lands Program and Evaluation Report are relevant to land use in the King County UGA and King County Urban Centers as they monitor population, household, housing unit and employment growth in King County, and identify land supply and capacity within the UGA. These findings have significant impact on the Urban Center Strategy, as they identify trends that help drive development (especially housing development) in Urban Centers.

¹³ King County Office of Management and Budget, *Buildable Lands Evaluation Report*, (2002).

¹⁴ King County Office of Management and Budget, *Buildable Lands Evaluation Report*, (2002).

Urban Center Population in Relation to King County

King County has one of the largest populations of any county in the country. It is the largest county in the State of Washington and the 14th largest in the United States. With a total population of almost 1.8 million, this jurisdiction has seen significant population growth in the past and is expecting continued growth in the future. King County has 40 municipal jurisdictions, from Seattle with nearly 600,000 residents, to Unincorporated King County with roughly 360,000, to tiny Beaux Arts, with around 300 residents. Of the cities with designated Urban Centers, only one, Tukwila, has less than 20,000 residents. Appendix E: *King County Cities by Size of Population* shows all the jurisdictions in King County with their population ranges in 2002.

The current Urban Center population in King County is very small relative to those people living outside Urban Centers. Only 6.1% of the population in King County lived in designated Urban Centers in 2000, and only 6.5% lived in designated Urban Centers in 2004.¹⁵ Table 3.3 provides greater detail about Urban Center population, the population in King County, and population growth in both areas.

Table 3.3: King County Urban Center Population

King County Population in 2004	Urban Center Population in 2004	Percent of Urban Center Population in King County in 2004	Percent Change in King County Population between 1990 and 2004	Percent Change in Urban Center Population between 1990 and 2004
1,788,300	116,772	6.5%	15.2%	37.9%

Urban Center Employment

In 2003, covered employment in King County totaled 1,078,012 jobs. During that same year, covered employment in King County Urban Centers collectively totaled 351,478 jobs, roughly one third the total employment in the County.¹⁶ However, as stated in the introduction, between 1995 and 2003, 36,018 new jobs were created in Urban Centers, whereas 137,129 jobs were created countywide. Thus, jobs located in Urban Centers accounted for only 26% of the new job growth

¹⁵ Estimated King County Benchmarks Data.

¹⁶ King County Benchmarks Data.

in King County. Although this eight-year timeframe is short of the 20-year CPP planning horizon, this percentage is well below the target of 50%.

Individual King County Urban Centers have also had various rates of employment growth over the last decade, with some Centers experiencing very high levels of growth and others experiencing very little growth. Between the years 1995 and 2000 for instance, employment in Redmond's Urban Center grew by 158%, while employment in Kent's Urban Center actually dropped slightly. Although Kent has had greater job growth in recent years, and Redmond experienced one major employment center moving into their Urban Center in this time frame, this example highlights the unevenness in Urban Center employment growth.

It should be noted that most Urban Centers experienced employment loss beginning around 2001. This corresponds to the overall trend in King County, which experienced a job loss of 68,931 jobs between 2001 and 2003, and the overall employment declines nationally. Much of this job loss can be attributed to the economic recession in the United States beginning in early 2001. This is especially the case for the Puget Sound region, which felt the effects of this recession rather severely.

In general, almost all Urban Centers experienced some job growth between 1995 and 2003, even though the majority of that growth occurred between 1995 and 2000. When disaggregated, most Urban Centers experienced job loss between 2000 and 2003. However, as just stated, this is most likely not due to the factors in Urban Centers, but rather larger economic trends affecting employment. Table 3.4 highlights trend data for King County Urban Center employment, and provides the percentage change in employment between various years.

Table 3.4: King County Urban Center Employment¹⁷

Urban Center	1995	2000	2003	% Change from 1995-2000	% Change from 1995-2003	% Change from 2000-2003
Auburn*	No Data	No Data	2,801	n/a	n/a	n/a
Bellevue	23,088	31,221	27,341	35.23%	18.42%	-12.43%
Burien*	No Data	No Data	4,420	n/a	n/a	n/a
Federal Way	3,186	3,870	3,816	21.47%	19.77%	-1.40%
First Hill/ Capitol Hill	32,399	37,062	39,461	14.39%	21.80%	6.47%
Kent	3,100	3,085	4,052	-0.48%	30.71%	31.35%
Northgate	9,432	10,985	10,890	16.47%	15.46%	-0.86%
Redmond	4,025	10,417	13,576	158.81%	237.29%	30.33%
Renton	14,006	16,452	11,498	17.46%	-17.91%	-30.11%
SeaTac	7,064	8,589	8,723	21.59%	23.49%	1.56%
Seattle CBD	138,151	172,932	148,924	25.18%	7.80%	-13.88%
Totem Lake*	No Data	No Data	12,035	n/a	n/a	n/a
Tukwila	17,047	20,366	18,324	19.47%	7.49%	-10.03%
U-District	28,329	33,006	33,159	16.51%	17.05%	0.46%
Uptown/ Seattle Center	16,377	16,788	12,458	2.51%	-23.93%	-25.79%
Total Urban Center	296,204	364,773	351,478	23.15%	18.66%	-3.64%
Total King County	940,883	1,151,217	1,078,012	22.35%	14.57%	-6.36%

*Auburn, Burien and Totem Lake received their Urban Center status after 2000; thus, they are not included in the percent change columns of Table 3.4

Urban Center Job Sectors

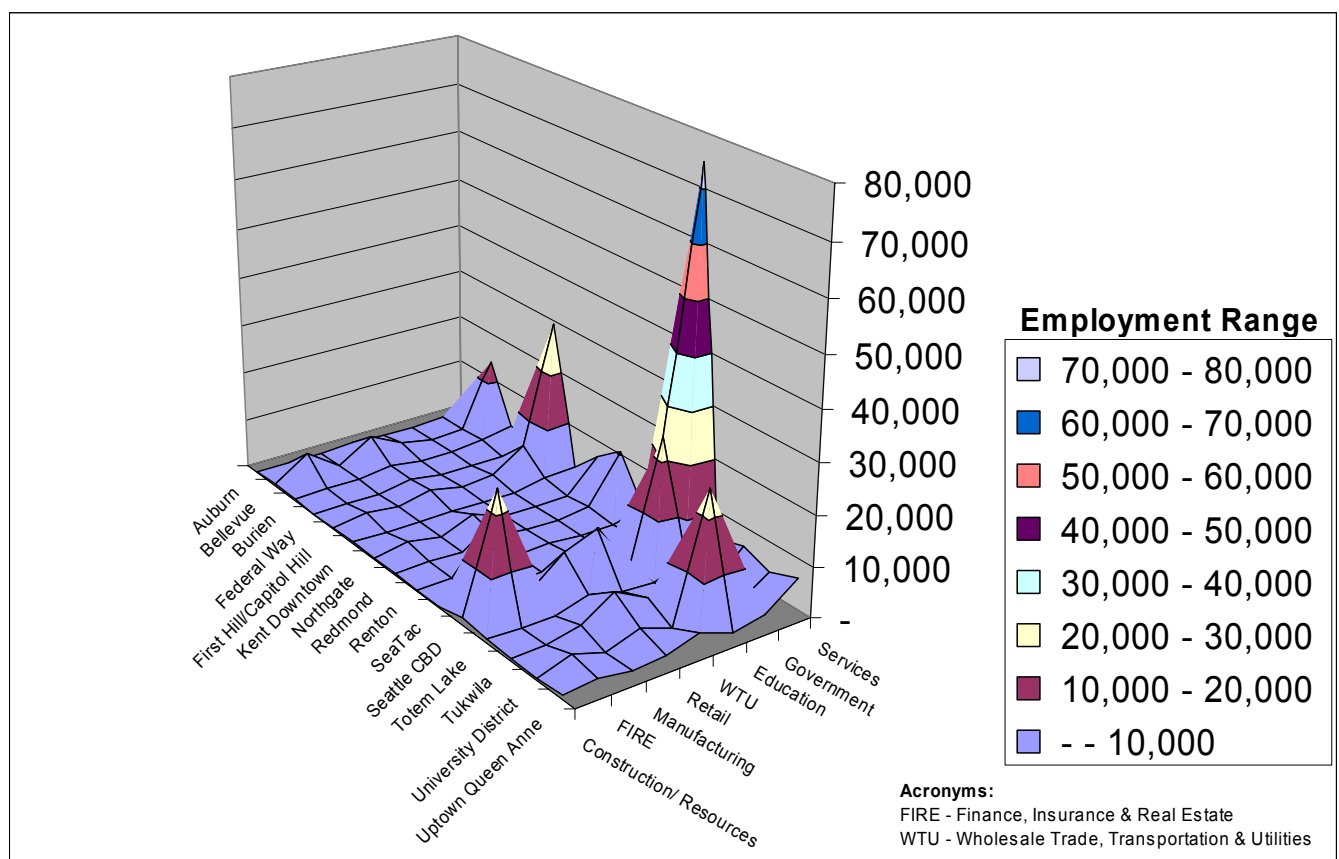
In addition to variation in job growth, King County Urban Centers also vary by job sector. Using data obtained from the PSRC, the identified job sectors used in this paper are Construction/Resources, FIRE (Finance, Insurance and Real Estate), Manufacturing, Retail, WTU (Wholesale Trade, Transportation & Utilities), Education, Government and Services¹⁸. In 2004, the predominant employment sector in most Centers was Services, but there was also some variation between Centers in the level of this sector compared to other sectors. For instance, 75% of First Hill/Capitol Hill's employment was in the Service sector, while only 39% of

¹⁷ King County Benchmarks Data.

¹⁸ King County Benchmarks Data obtained from the Puget Sound Regional Council.

Kent's was. As well, two Urban Centers, the University District and Renton, had other predominant employment sectors: Education and Manufacturing respectively. Due to the fact that these two Urban Centers had two large institutional employers located in them, the University of Washington and the Boeing Company, employment was dominated by these identified sectors. The bar graph displayed in Figure 3.2 visually shows employment levels for each King County Urban Center by job sector. As well, additional graphs that show job sectors for each Urban Center are provided in Appendix D.

Figure 3.2: 2004 Employment Levels in King County Urban Centers by Job Sector¹⁹



Urban Center Housing

In 2004, King County contained 784,800 housing units, with 93% of those existing in urban areas.²⁰ About 9% of the county's total housing exists in

¹⁹ King County Benchmarks Data obtained from the Puget Sound Regional Council.

designated Urban Centers, despite covering just 3% of the Urban Growth Area.²¹ From 1995 to 2004, the number of housing units in King County increased 12%, up from 699,200 units as reported in the *2002 King County Annual Growth Report*. In comparison, Urban Centers contained 53,085 units in 1995, and increased to 72,849 units in 2004. However, a portion of the increase in Urban Center housing from 1995 to 2004 can be attributed to the addition of three newly designated Centers: Totem Lake (2002), Auburn (2003), and Burien (2004). Subtracting the housing units of these three Centers from the equation, this represents a 17% increase in Urban Center housing from 1995 to 2004. Table 3.5 shows the increase in new housing units for Urban Centers between 1995 and 2004.

Table 3.5: King County Urban Center Housing Growth, 1995-2004²²

Urban Center	Number of Housing Units 1995	Number of Housing Units 2004	Number Change 1995 - 2004	Percent Change 1995 - 2004
Auburn*	No Data	1,087	n/a	n/a
Bellevue	1,000	3,599	2,599	259.90%
Burien*	No Data	1,077	n/a	n/a
Federal Way	200	846	646	323.00%
First Hill/Capitol Hill	21,707	23,826	2,119	9.76%
Kent	306	708	402	131.37%
Northgate	3,522	3,688	166	4.71%
Redmond	335	1,275	940	280.60%
Renton	996	1,047	51	5.12%
SeaTac	3,238	4,073	835	25.79%
Seattle CBD	11,345	16,469	5,124	45.17%
Totem Lake*	No Data	2,944	n/a	n/a
Tukwila	11	2	-9	-81.82%
U-District	6,419	7,244	825	12.85%
Uptown/Seattle Center	4,006	4,964	958	23.91%
Total Urban Center	53,085	72,849	14,656	37.23%

*Auburn, Burien and Totem Lake received their Urban Center status after 1995; thus, they are not included in the number change and percent change columns of Table 3.5

²⁰ King County Office of Management and Budget, *King County Annual Growth Report*, (2005).

²¹ King County Office of Management and Budget, *King County Benchmarks Land Use Bulletin*, (2004). The total for 2004 is based on the number of existing units confirmed at the end of 2003, less units demolished in 2004, plus new units permitted in 2004. In addition, Tom Hauger, Comprehensive and Regional Planning Manager for the City of Seattle Department of Planning and Development, provided updated data for the City of Seattle Urban Centers, 3/14/06.

²² King County Benchmarks Data.

Because each Center is unique, they gain new housing at different rates and in different amounts. Between 1995 and 2004, Seattle CBD gained 5,124 units, leading all Centers in housing growth. Bellevue gained 2,599 and First Hill/Capitol Hill (Seattle) gained 2,119 over the same period. These three Centers combine for two thirds of housing growth over this period. Federal Way, however, displays the highest growth rate by an Urban Center, with a 323% change over the period. Redmond (281%) and Bellevue (260%) also show relatively high growth rates for their Centers.

The important concern from the perspective of the CPPs is whether Urban Centers account for 25% of all new housing development in King County over a 20 year planning horizon. This will be difficult to forecast from the given data that covers the past 10 years, since it is hard to say how the next ten years will unfold. To date, however, Urban Centers have accounted for just over 17% of new housing in King County, with the housing units for the three newest Centers removed from the equation.²³

Urban Center Characteristics

Although individual qualitative and quantitative descriptions of each Urban Center are in Appendix D, understanding the general characteristics of each Center in relation to one another is a helpful tool. For this purpose, Table 3.6 summarizes various Urban Center traits for all fifteen designated Urban Centers. Traits identified include Urban Center population, size, number of housing units, number of jobs, the ratio of jobs to housing, the existence of open space, the existence of transit options and the existence of fixed high-capacity transit stations (rail stations).

²³ Between 1995 and 2004, Urban Centers saw an increase of 19,764 new housing units. In 2004, Auburn, Burien and Totem Lake combined for 5,108 total units. Removing these, the remaining Centers gained 14,656 housing units, compared with 85,600 new units for the County as a whole.

Table 3.6: Urban Center Characteristics Matrix

Urban Center	Population²⁴	Size (acres)	# Housing Units	# Jobs	Jobs per Housing Unit	Largest Job Sector²⁵	Transit Options²⁶
Auburn	1,400	233	1,087	2,869	2.64	1	B
Bellevue	3,600	432	3,599	26,062	7.24	1	A
Burien	1,750	353	1,077	4,263	3.96	1	A
Federal Way	600	209	846	3,431	4.06	1	A
First Hill/ Capitol Hill	34,200	919	23,826	39,532	1.66	1	C
Kent	900	309	708	3,746	5.29	1	B
Northgate	5,750	466	3,688	11,001	2.98	1	C
Redmond	2,200	466	1,275	14,173	11.12	1	A
Renton	1,850	551	1,047	10,860	10.37	2	A
SeaTac	10,700	1,457	4,073	8,055	1.98	1	C
Seattle CBD	24,300	938	16,469	145,310	8.82	1	D
Totem Lake	4,400	720	2,944	11,117	3.78	1	A
Tukwila	22	840	2	17,976	N/A	1	B
U. District	19,700	840	7,244	33,879	4.68	3	C
Uptown/ Seattle Center	5,400	305	4,964	12,723	2.56	1	A

²⁴ Estimated by King County Benchmarks using 2000 Census tract data

²⁵ 1= Services; 2= Manufacturing; 3= Education

²⁶ A = Bus Only, B =Bus and Sounder Commuter Train, C = Bus and future Sound Transit link light rail stations and D = Bus, Sounder Commuter Train and future Sound Transit link light rail stations

CHAPTER 4: JOB DEVELOPMENT FACTORS, STRATEGIES AND TOOLS

As stated in Chapter 3, between 1995 and 2003, roughly 26% of all new jobs created in King County were located in Urban Centers. Although this is impressive, it is far from the goal of 50% of all new jobs locating in Urban Centers. Fortunately, King County cities have more time to accommodate this new job growth in their Urban Centers. This however is somewhat misleading, as the County is projected to grow significantly in that same time period. Even if the County's job growth rate remains constant over the next 20 years, almost twice the number of jobs that have located in Urban Centers must locate there in the future. Thus, the Urban Centers in King County must accelerate the pace at which they are taking job growth if they hope to achieve the CPP target. The following chapter discusses ways in which cities can hopefully accelerate this pace for their individual Urban Centers. Specifically, the factors of job development, the strategies that cities can use to obtain job growth, the tools that cities can use to implement those strategies, and most importantly, how the factors, strategies and tools relate to one another will be discussed.

4.1 Development in King County Urban Centers

There are many different definitions of economic development, ranging from the more traditional: "A term generally applied to the expansion of a community's property and sales tax base or the expansion of the number of jobs through office, retail, and industrial development"²⁷, to the more comprehensive: "The process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services."²⁸ However you define economic development, at its core is usually the concept of *job and business development*:

²⁷ Urban Plan. (2006). Retrieved March 13, 2006. Website: www.urbanplan.org/UP_Glossary/UP_Glossary.html

²⁸ Richard D. Bingham and Robert Mier, eds. Theories of Local Economic Development. Perspectives from across the Disciplines. Newbury Park, CA: Sage. 1993.

No matter what form it takes, local economic development, as articulated by Giloth and Meier (1989), has one primary goal: to increase the number and variety of job opportunities available to local people. To perform these activities, local governments and community groups need to assume an initiating rather than passive role.²⁹

Job and business development is more than just job and business growth however. It is the process that institutions engage in to influence job and business growth now and in the future, with the hope that present job growth and development will spur on additional job growth through economies of agglomeration. This process can take many forms, from the more traditional business development strategies, often referred to as “smoke stack chasing”, to more comprehensive strategies. For the purposes of this paper, *job development is being defined as the processes used by local governments and other public sector/non-profit sector institutions to obtain sustained and varied job growth in a specific jurisdiction over a long-term period*. Furthermore, job development will be referenced primarily in terms of Urban Centers in King County (specific jurisdictions), the cities in which the urban centers lie (local governments), and a development horizon of twenty years (long-term period).

So how does job growth in a specific jurisdiction occur? Job growth can happen one of two ways: existing firms in a jurisdiction expand and add additional jobs, or new firms that were not previously in the jurisdiction locate there. In the parlance of job development, these two forms of job growth are often referred to as job/business expansion and job/business recruitment respectively. Both of these forms of job growth can be legitimate ends for various job development strategies that local governments may be involved in.

Local government job development efforts will often times focus to a much greater degree on job/business retention and expansion, and focus less on job/business recruitment.³⁰ In terms of the Urban Center Strategy however, although new jobs are created through job expansion, local government has very

²⁹ Blakely, Edward J. and Ted K. Bradshaw, *Planning Local Economic Development: Theory and Practice*, (2002).

³⁰ Ray Moser Interview, 3/22/06.

little control over the market forces needed to create enough new economic opportunity so that existing firms in King County Urban Centers expand to meet the CPP goal. As well, because individual firms are often times very distinct and operate under different regulatory conditions and market forces, tailoring job expansion strategies for many or all of the firms in a specific jurisdiction would be incredibly challenging and not cost effective. It is much more realistic and less costly for cities to focus their job development strategies on job and business recruitment for their Urban Center strategies so that the CPP goal is met by 2022.

Furthermore, cities could try to disincentivize job growth in other parts of their city and only support job expansion or creation in Urban Centers. This however is extremely unrealistic. No city would turn down a legitimate firm willing to locate in their city, but outside of its Urban Center, because it would hinder the Urban Center strategy. Business development, regardless of location, is good for a city's economy, tax base and labor market, and will almost always be welcomed. Thus, disincentivizing job growth that is not congruent with the Urban Center strategy is typically not a sound strategy. Cities must focus on incentivizing job growth in Urban Centers using effective job development strategies, while not disincentivizing growth outside of Centers but within the UGA.

Based on this, the Urban Center job development strategies that will be discussed in this paper will focus on job recruitment and firm location and not on existing job retention and expansion. As well, the usual role of government in supporting job creation focuses on job growth as an end in itself. In other words, job growth is beneficial because community members need jobs and local jurisdictions need taxable revenue sources. However, because the Urban Center Strategy focuses on growth management in addition to the more typical economic development goals, the larger focus is on land use, and on making sure firms locate or stay in dense concentrated areas as oppose to choosing areas on the suburban fringe. Thus, firm location is really at the heart of the Urban Center Strategy.

Specifically, this chapter will discuss the following:

- Relationship between the factors of firm location and the strategies and tools used to influence firm location
- Factors that influence firm location decisions in King County Urban Centers
- Job development strategies used by cities in King County to obtain sustained and varied job growth in their Urban Centers
- Tools that cities can use to implement job development strategies and ultimately incentivize firm location in their Urban Centers

4.2 Factors, Strategies and Tools of Job Development

There are many reasons why a firm might choose to locate in a specific place, from market demand, to the tax structure of a city or state, to the fact that an entrepreneur might want to locate his small business near to where he lives. Business location in other words can be as varied as the decisions made every day by different people. Often times, cities and towns have very little impact on the decisions that firms may make regarding their optimal location to set up shop.

On the other hand, many firms are looking for various bundles of goods and services that specific locations provide, often called community assets, which are good for their business. As well, firms are looking to avoid liabilities that would not be good for their business, such as the prevalence of high crime in an area that a retail store is thinking about locating in.³¹ Obviously, different firms in different sectors will covet different assets and avoid different liabilities. For the purposes of this paper, these assets and liabilities are being referred to as *factors*. It is typically the combination of factors (or lack thereof) that a firm identifies in a specific location that will drive its location decision.

So how do these factors relate to the job development strategies that can influence firm location in an Urban Center? Cities must first ask themselves what

³¹ Blakely, Edward J. and Ted K. Bradshaw, *Planning Local Economic Development: Theory and Practice*, (2002).

factors are evident in their Urban Center and to what extent they exist. Are their Urban Center's factors negative, positive, or a mix of both? To what degree does a factor exist in their Urban Center? Understanding which factors are present in their Urban Center, which factors can be manipulated or controlled, and where opportunities exist to enhance positive factors and minimize or eliminate negative factors, should be the first analytic process that cities undertake regarding firm location.

This process leads cities to identify a "desired alignment of factors". It is unrealistic for a city to think that all negative factors can be eliminated from their Urban Center and all positive factors can be installed. Many factors are outside of a city's control, and thus a city has no choice in whether or not those factors can be manipulated in their Urban Center. However, acknowledging which controllable factors are desired provides a city with a starting point when determining how they can practically achieve the combination of factors that best suits their city and Urban Center and will be the most effective at attracting firms now and into the future.

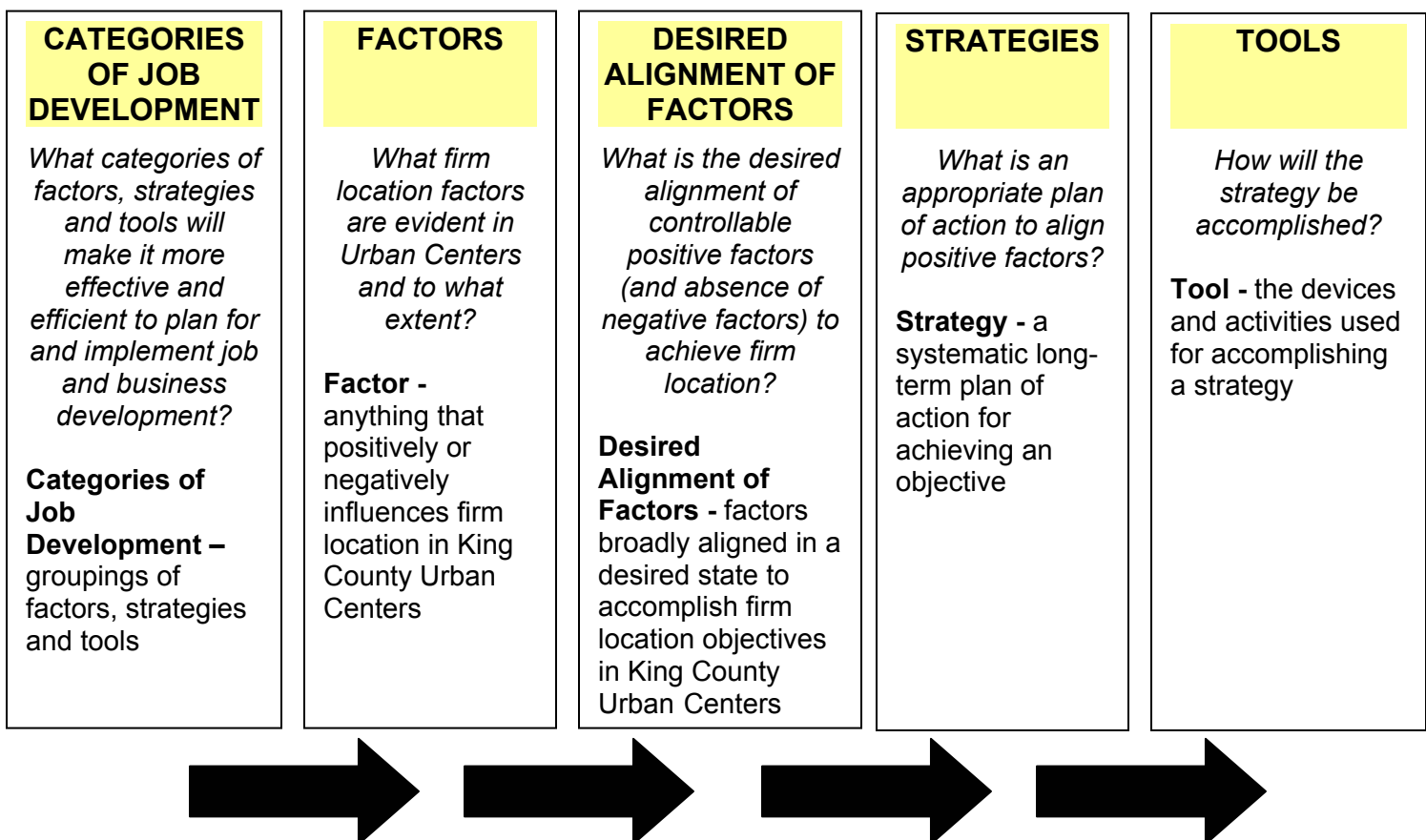
Once the desired alignment of factors is determined, job development strategies can be created by cities to try to influence firm location. For the purposes of this paper, strategies are being defined as systematic long-term plans of action for achieving a specific objective. In terms of Urban Center job development, this translates into the action plans that cities use to create, install, manipulate and align the factors that will influence firm location in their Urban Center. Furthermore, implementing these strategies requires various tools and actions cities can use. These tools become the devices and activities cities utilize to implement their identified job development strategies.

Due to the fact that there is a wide array of job development factors, strategies and tools, it is helpful to set up categories of job development. This provides easily recognizable distinctions of factors, strategies and tools, and a way to plan for and implement job and business development. The job development

categories cited in this paper are *Business Location, Market, Infrastructure, Quality of Life, Workforce, and Economic*.

In order to better understand the relationship between categories of job development, factors, the desired alignment of factors, strategies and tools, a job development framework is provided below in Diagram 4.1. The framework connects, identifies and defines the five pieces of the job development process.

Diagram 4.1: Job Development Framework



Based on this framework, a job development matrix has been created in order to connect factors, the desired alignment of factors, strategies and tools of job development. This matrix highlights all the factors, strategies and tools that will be discussed in the remainder of this chapter and organizes them by job development category. The job development matrix is provided in Table 4.1.

Table 4.1: Job Development Matrix

Job Development Category	Factors That Influence Job Growth in Urban Centers	Desired Alignment of Factors	Strategies to Incentivize Job Development in Urban Centers	Tools and Actions to Implement Job Development Strategies in Urban Centers
<ul style="list-style-type: none"> • Business Location 	<ul style="list-style-type: none"> • Land/Lease Costs - Cost of Vacant Commercial Space • Quality of Available Commercial Space • Land/Space Availability – Capacity • Construction Costs - Cost of Commercial Development • Zoning Regulations • Permitting Cost 	<ul style="list-style-type: none"> • Low Barriers to Firm Location in Desired Spaces in Urban Center 	<ul style="list-style-type: none"> • Create Favorable Development Environment • Partner With Private Developers to Create Mixed-Use Development • Identify and Market Available Commercial Space and Development Opportunities 	<ul style="list-style-type: none"> • Rezone Urban Center for Greater Density • Rezone Urban Center for Mix of Uses • Expedited Permitting Process for Urban Center Development or Redevelopment • Planned Action SEPA • Land Assembly for Commercial Development or Redevelopment • Transfer of Development Rights
<ul style="list-style-type: none"> • Market 	<ul style="list-style-type: none"> • Proximity to Markets • Proximity to Suppliers • Market Demand for New Business • Agglomeration of Firms in Similar Sectors • Proximity to Research Institutions 	<ul style="list-style-type: none"> • Positive Assets in Urban Center That Firms Can Utilize to Make Their Business Successful 	<ul style="list-style-type: none"> • Create Economic Development and Job Development Action Plan for Urban Center • Market Urban Center Assets to Firms 	<ul style="list-style-type: none"> • Survey Urban Center to Create List of Assets • Convene Citizens, Current Business, City Leadership and Other Stakeholders to Determine How Best to Implement City Comprehensive and Economic Development Plans • Create a Brand for the Urban Center • Create Economic Development Marketing Campaign with Internet Portal
<ul style="list-style-type: none"> • Quality of Life 	<ul style="list-style-type: none"> • Community Focal Point and Shopping District • Image of location • Crime Rate • Natural Setting and Physical Amenities • Urban Design and Infrastructure That Attracts Residential and Pedestrian Use – Streetscape, Signage, Street Network, Etc. 	<ul style="list-style-type: none"> • Place and Community That Firms Want to Locate In 	<ul style="list-style-type: none"> • Create Third Place • Create Community Focal Point • Minimize Urban Center Liabilities • Market Urban Center and City Lifestyle • Enhance Urban Center Design and Aesthetic 	<ul style="list-style-type: none"> • Create Open Space • Relocate/Enhance Municipal Campus in Urban Center • Encourage Liability Businesses to Relocate in Other Sections of City • Partner With Urban Center Business Partnership or Chamber of Commerce to Market City Activities and Community Assets • Make Capital Investment in Pedestrian Friendly Amenities and Infrastructure

Job Development Category	Factors That Influence Job Development in Urban Centers	Desired Alignment of Factors	Strategies to Incentivize Job Development in Urban Centers	Tools and Actions to Implement Job Development Strategies in Urban Centers
<ul style="list-style-type: none"> • Workforce 	<ul style="list-style-type: none"> • Availability of Skilled Labor • Cost of Labor • Local Housing Availability • Local Housing Costs • Mobility of Workforce - Transit Availability 	<ul style="list-style-type: none"> • Access to Skilled Labor Force and Quality Unskilled Labor Force 	<ul style="list-style-type: none"> • Create Quality Housing Options In and Around Urban Center • Create Affordable Housing In and Around Urban Center • Provide Adequate Transit Options 	<ul style="list-style-type: none"> • Decrease Parking Requirements for Residential Housing Units • Ten-year Property Tax Abatement Program for New Multi-family Housing Construction • Property Tax Abatement for Affordable Housing • Partner with Regional or County Governments to Construct Transportation Hub or Transit Center and Transit Connections between Hub and Other Areas of Urban Center
<ul style="list-style-type: none"> • Infrastructure 	<ul style="list-style-type: none"> • Transportation Network and Transportation Connections – Roads/Parking • Technology Infrastructure Such as Broadband and Wireless • Municipal Infrastructure Such as Water and Sewer 	<ul style="list-style-type: none"> • Necessary Infrastructure Provided to Fulfill Mission of Business 	<ul style="list-style-type: none"> • Provide Adequate Transportation Connections and Network • Partner with Developers to Provide Infrastructure For Favorable, Large Commercial and Residential Development and Redevelopment • Provide Adequate Municipal and Technology Infrastructure • Market Urban Center Transportation and Infrastructure Assets to Firms 	<ul style="list-style-type: none"> • Make Capital Investment in Transportation Connections and Network • Waive Development Fees For Large Commercial Development if City will Recoup Fees In Sales Tax Revenue • Partner With Other Governmental Entities or Make Capital Investment in Municipal Infrastructure • Partner With Other Governmental Entities or Make Capital Investment in Technology Infrastructure • Enhance Economic Development Marketing Campaign by Emphasizing Transportation Assets in Urban Center
<ul style="list-style-type: none"> • Economic 	<ul style="list-style-type: none"> • Local Tax Incentives • Access to Capital • Environmental and Other Regulations 	<ul style="list-style-type: none"> • Favorable Business Climate 	<ul style="list-style-type: none"> • Provide Tax Incentives for Firm Location • Ensure Access to Capital • Provide a Favorable Permitting and Regulatory Environment 	<ul style="list-style-type: none"> • For Urban Centers With Historic Main Streets, Provide Main Street Tax Credit Incentive Program (Must Qualify With WA State CTED) • Do not charge a city B&O tax

4.3 Factors That Influence Firm Location in King County Urban Centers

FACTORS

What firm location factors are evident in Urban Centers and to what extent?

Factor - anything that positively or negatively influences firm location in King County Urban Centers

Firm owners and executives usually engage in a conscious process of determining what location would be best for their business. Whether a firm is re-locating or locating for the first time, finding a location that serves their market, is close to suppliers, has low land and/or office space costs, is connected by a transportation nexus, has an educated labor force, has quality affordable housing for firm executives and employees, and has a high quality of life (good schools, low crime, pleasant environment, etc.), for example, are all very important factors. As just mentioned, it is local government's role to install and accentuate positive factors, minimize negative factors, and market their cities' bundle of assets to would-be firms looking for a corporate, retail, manufacturing, distribution or other business service locations. Without providing an exhaustive list, the following list typifies the general factors that many firms cite as reasons for location decisions. The list is organized by job development category, and was created using both a review of the literature and stakeholder interviews conducted by the author.

List 4.1: Factors That Influence Firm Location

Business Location Factors

- Land/Lease Costs - Cost of Commercial Vacant Space
- Quality of Available Commercial Space
- Land/Space Availability - Capacity
- Construction Costs - Cost of Commercial Development
- Zoning Regulations
- Permitting Cost

Infrastructure Factors

- Transportation Network - Transportation Connections (Transit and Roads)
- Technology Infrastructure Such as Broadband and Wireless
- Municipal Infrastructure Such as Water and Sewer

Market Factors

- Proximity to Markets
- Proximity to Suppliers
- Market Demand for New Business
- Agglomeration of Firms in Similar Sectors
- Proximity to Research Institution

Quality of Life Factors

- Community Focal Point and Shopping District
- Image of location
- Crime Rate
- Natural Setting and Physical Amenities
- Urban Design and Infrastructure That Attracts Residential and Pedestrian Use
– Streetscape, Signage, Street Network, Etc.

Workforce Factors

- Availability of Skilled Labor
- Cost of Labor
- Local Housing Availability
- Local Housing Costs
- Mobility of Workforce - Transit and Road Availability and Congestion

Financial Factors

- Local Tax Incentives
- Access to Capital
- Environmental and Other Regulations

Location versus Site

A distinction must also be made between the concepts of “location” and “site”. According to a Brookings Institution publication focused on firm location decision-making, “A *location* refers to the general region and its characteristics, whereas a *site* is a specific parcel of land and/or building(s).”³² Although some of the factors listed speak to the idea of site, such as a Transportation Network, Technology Infrastructure/Broadband and Wireless, and Cost and Quality of Commercial Vacant

³² Cohen, Natalie, *Business Location Decision-Making and Cities: Bringing Companies Back*, (2000).

Space, most of the factors relate to location. Furthermore, although cost and quality of commercial vacant space may vary by building, for example, if judging similar buildings against one another, they are more likely to vary by location within a region than by site within a location. Thus, even though some factors may relate to the idea of site, all factors should also relate to location as well. Based on this, the factors of firm location for this paper should be looked at in terms of both regional location, i.e., King County, and location within the region, i.e., Urban Centers in King County, as opposed to sites within Urban Centers.

Priority of Factors

Although different firms will desire different factors as stated earlier, there is some consensus among firms about which factors are most important. According to a survey conducted by staff at the Fisher Center for Real Estate and Urban Economics at the University of California, Berkeley, of the firms that responded, 84.4% stated that land/lease costs of a new location were at least somewhat important, while 48.1% stated that it was very important. Based on these numbers, this location factor became the most important factor for firm location choice in the survey³³. It should be noted however that this survey was conducted sixteen years ago (1990), and that firm priorities may have changed with the onset of new technologies or communication systems, such as the Internet. As well, the firms in this study all had at least 50 employees, and were typically not engaged in the retail commercial market. Thus, the factors that are most important for smaller retail firms may be very different than those identified here. Although these issues may affect the direct applicability of this survey's results for some firms, the survey is valid and provides an idea of which factors are most important to various firms. For a table highlighting the results of this survey, please see Appendix F: *Table of Firm Location Factors*.

³³ Kroll, Cynthia and Landis John, *Housing Prices, Other Real Estate Factors and the Location Choice of Firms*, (1990).

Interconnected Factors

Scholars also suggest that although individual factors, such as land lease costs, influence firm location, interconnected factors may have even greater influence. This notion is manifested in various “theories of job development”, which state that combinations of factors work together to create locations that are more ideal for firm location than others. One of these theories of job development is the Locality Theory, which suggests that “firms consistently value a place in which physical and social or organizational factors cooperate to make a quality environment in which to live and do business.”³⁴ In other words, location itself is no longer an asset, but rather one piece of the combination of factors that firms look at. The factors that are more relevant today, according to the theory, are the “quality of the local physical and social environment, including the community’s recreational, housing, and social institutions”.³⁵ “When a community concentrates on building the social and institutional network, it creates an inviting environment for a firm to develop or locate there”.³⁶ Thus, in terms of the categories of factors mentioned earlier, quality of life factors and workforce factors would potentially be seen as the highest priority for firms adhering to the Locality Theory. Other types of theories of job development also exist that focus on other categories of factors, such as the Employment Resources Theory (workforce factors) and the Business and Economic Base Theory (market factors and financial factors).³⁷

Factors in King County

So what are the factors that influence firm location in King County? Many of the general factors cited here that influence firm location were also cited as factors in King County. These include many of the quality of life factors, such as natural setting and physical amenities, workforce factors, such as the availability of highly

³⁴ Blakely, Edward J. and Ted K. Bradshaw, *Planning Local Economic Development: Theory and Practice*, (2002).

³⁵ Blakely, Edward J. and Ted K. Bradshaw, *Planning Local Economic Development: Theory and Practice*, (2002).

³⁶ Blakely, Edward J. and Ted K. Bradshaw, *Planning Local Economic Development: Theory and Practice*, (2002).

³⁷ Blakely, Edward J. and Ted K. Bradshaw, *Planning Local Economic Development: Theory and Practice*, (2002).

skilled and educated labor, market factors, such as the agglomeration of firms (especially in the technology sector) and the proximity to a major research institution (University of Washington), and Infrastructure factors, such technology infrastructure and a transportation network.³⁸

According to Ray Moser, Manager of Economic Development at the King County Office of Business Relations and Economic Development, “the prerequisites for employer recruitment in King County are affordable housing, a highly skilled workforce, transportation, utility and communication networks, research institutions, favorable permitting/regulatory structure (business climate), strong K-12 and higher education institutions, good access to capital and an adequate supply of land.”³⁹ These all exist in King County in one form or another, but not all exist in all areas of the County. This is especially the case with affordable housing and adequate supply of land.

The Puget Sound Regional Council has also identified “six foundations of our economy” which align fairly closely with the previously mentioned categories of factors of firm location. They are human resources, technology, access to capital, business climate, physical infrastructure, and quality of life and social capital.⁴⁰ According to the PSRC, “the foundations that are in place now served the region well in the 20th century, but will not meet the challenges of the emerging, globally integrated economy; we must rebuild them.”⁴¹ Thus, although King County and the Puget Sound Region have historically provided a solid foundation upon which to support firm location and job development, these area must continually be enhanced in order for King County to compete for firms and jobs with other areas in the state, country and globe.

³⁸ Ben Wolters interview, 3/17/06, Ray Moser interview, 3/22/06, and Richard Loman interview, 4/12/06.

³⁹ Ray Moser interview, 3/22/06.

⁴⁰ Puget Sound Regional Council, *Prosperity Partnerships*, (2005).

⁴¹ Puget Sound Regional Council, *Prosperity Partnerships*, (2005).

Finally, an additional factor that influences firm location in King County is the overall economic health of its largest city, Seattle. Seattle must remain the vibrant hub of the County, as it is the namesake with which everyone associates the Puget Sound Region and King County.⁴² This phenomenon is not specific to King County however; it has been shown in many regions that a healthy center city has direct impact on the health of a metro area's surrounding suburbs.⁴³ Thus, in addition to the aforementioned factors, strong job development in Seattle also equates with strong job development in other areas of King County.

Factors in King County Urban Centers

It seems quite clear that the general factors of firm location and the factors that influence firm location in King County are synonymous. Are these factors also the same as the factors that influence firm location in King County's fifteen Urban Centers? To answer this question, stakeholders were specifically asked about the factors that were present in their Urban Centers, and literature about King County and King County Urban Centers was reviewed. According to the literature and what was heard through stakeholder interviews, many of the same factors of firm location can be applied to individual Urban Centers in King County.⁴⁴ However, not all Urban Centers in King County are the same, as discussed in Chapter 3. Many of the King County Urban Centers have very different community assets and liabilities. The difference in the amount and make-up of factors has the potential to lead to very different results concerning the firms that will locate in various Urban Centers.

To begin, it is important to first discuss those factors that apply equally to all Urban Centers in King County, and those that differ by Center. Although specific data could not be collected about factor variation by Center, just one factor, *land/space availability*, was identified as being in common for all Urban Centers. All other factors differed by Urban Center, and were present, absent, or had varying

⁴² Ray Moser interview, 3/22/06.

⁴³ Pastor Jr., Manuel, Peter Dreier, J. Eugene Grigsby III, and Maria Lopez-Garza, *Regions That Work: How Cities and Suburbs Can Grow Together*, (2000).

⁴⁴ Multiple Stakeholder interviews.

degrees of presence or absence. As for land/space availability, it was determined that this factor was absent in all Urban Centers in King County. Although it is always possible to make any space denser through redevelopment and building skyward, land/space availability refers to that amount of undeveloped or slightly developed land in an Urban Center. Examples of this type of land use might be farmland, brownfields, or greyfield parking lots. Urban Centers generally are rather small (areas can be up to one and a half square miles of land), and many are already densely developed, such as the Seattle CBD, First Hill/Capital Hill, University District, Uptown/Seattle Center, and Bellevue. There are a few Centers that do have some available land capacity, such as Federal Way, Renton, SeaTac and to a lesser degree Northgate, Kent and Totem Lake. However, even these Urban Centers potentially have much of their developable land already earmarked for a future purpose, such as the redevelopment of Totem Lake Mall, the creation of the *Northgate Commons* lifestyle center and open space in Northgate, and the creation of the *Landing* lifestyle center in Renton.⁴⁵

As well, although Urban Centers with greyfield space, such as Federal Way and SeaTac, could potentially be easy to redevelop due to their lack of dense development, the land in many cases is still being used for viable retail or parking purposes. Thus, although land is somewhat “available” in these situations, the redeveloped use of the land would have to provide greater profit than its current use. In the SeaTac Urban Center for instance, where “park and fly” parking lots are in high demand due to their proximity to SeaTac Airport, the profit made from a redevelopment would have to be extremely high due to the already high monthly profits made from the parking lots.⁴⁶ Regardless of the reason, in general, land availability is at a minimum in all of the Urban Centers in King County, forcing firms to either locate in already developed commercial space, or redevelop space for their own purposes.

⁴⁵ Tom Hauger interview, 3/14/06, Ben Wolters interview, 3/17/06, and Eric Shields interview, 3/28/06.

⁴⁶ Michael Scarey interview, 3/27/06.

As for the factors that differ among Urban Centers, many factors seem to differ to a high degree, whereas some seem to differ only a little. As well, some Centers seem to have many factors in common, whereas some seem to have almost none in common. Thus, the question surrounding factor variation in Urban Centers is not just which factors vary, but also with whom. Due to the fact that no data collection or analysis was completed concerning the absence or presence of the identified factors in all fifteen Urban Centers, the degree to which they are absent or present and how they relate to one another is not discussed in this paper. However, looking at factors individually can reveal how they vary as well as the distinctions between Centers in King County. For this reason, two factors will be used as case studies to show how factors can differ by Center, and what impact they have on overall Center job development. The factors that will be discussed are Market Demand for New Business and Image/Prestige/Stigma of location. These two factors were repeatedly stated in stakeholder interviews as being present in some Urban Centers and absent in others, and as reasons why job development was more successful in some Centers.

Market Demand for Service and Retail Business

Market demand, as it relates to location, greatly depends on many things, such as the sector the business is in, the consumers of the goods and services, and the marketing and advertising in which the business engages. Market demand for a large corporate law firm located in Downtown Seattle, which potentially has clients throughout the Western United States, is much different than market demand for a movie theater located in Downtown Kent. Demand for the law firm's services are probably more determined by firm reputation, past clients, quality of work, area of expertise, and network connections, than whether they are located in Downtown Seattle or not. Although the prestige of a Downtown Seattle location might affect their demand, as we shall see in the next case study, this has little to do with where their customers are located and how they access the firm's services. Market demand for the movie theater in Kent on the other hand is highly correlated to location, as a market analysis of moviegoers in Kent and an analysis about

substitutes (other movie theaters in the area), would probably be considered by the theater company before making a decision to locate there.⁴⁷ Thus, firms must determine whether or not location is going to affect market demand for their goods and services, or if demand will exist regardless of location.

Although the data is limited for King County Urban Centers, the majority of businesses in Urban Centers fall into the service and retail sectors. In 2004, 60.21% (202,499 jobs) of all covered employment in King County Urban Centers was either service or retail.⁴⁸ As is similar to the movie theater in Kent, much of the service and retail sector is dependent on location for market demand. Thus, location within an Urban Center, also defined as *site*, along with location decisions between Urban Centers (and outside Urban Centers) has a great impact on market demand for many firms in King County Urban Centers. This in turn ultimately has an impact on the sustainability and profitability of firms, and the success or failure of Urban Centers to attract firms in the future.

Additionally, as many cities try to redevelop their Urban Centers so that they are more aligned with the goals stated in the King County CPPs (intensity and density of land uses, pedestrian emphasis, superior urban design, sufficient public open spaces, and daytime and nighttime activities), they are looking to mixed-use retail/residential/office complexes and “lifestyle centers”. Due to the fact that concentrated retail can increase a city’s tax base, many cities are looking to retail growth as part of creating a focal point and sense of place in their Urban Center.⁴⁹ In the Kent, Northgate, Totem Lake, Burien, Federal Way, Tukwila, Renton and Redmond Urban Centers, retail/lifestyle center development has either been completed, is in being planned/constructed, or the city is looking for a developer to begin a project.⁵⁰ This focus on retail growth greatly speaks to the concept of

⁴⁷ This sort of analysis took place when AMC Theaters decided to locate in Kent Station; Nathan Torgelson Interview, 3/16/06.

⁴⁸ King County Benchmarks Data.

⁴⁹ Ray Moser interview, 3/22/06.

⁵⁰ Multiple Stakeholder interviews.

market demand, as development would not occur if developers and retailers did not think that potential market demand for their goods and services did not exist.

As for Urban Centers in King County, all Centers have some level of market demand for the firms that exist in their Centers, as all Centers have some level of employment in the retail and service sectors. This ranges from the Seattle CBD, which had 82,272 retail and service jobs in 2004, to Auburn, which had 2,021. The populations of those who live and work in Urban Centers, those who live and work in close proximity to the Urban Centers, and the general functions of the Centers, all have an impact on the variation of market demand by Center, and therefore the number of firms and number of jobs in Centers.

The Seattle CBD is the financial, business, governmental and retail hub of the entire Puget Sound Region. It has the second highest number of housing units among King County Urban Centers and the highest number of jobs. It is also in close proximity to much of the rest of the City of Seattle, which provides additional market demand. Finally, it is a regional center that draws market demand nationally and internationally in the form of tourism, business conventions and trade. Thus, market demand for service and retail is significantly high. The same can be said for Bellevue's Urban Center, which is also a large business hub and in close proximity to a large amount of housing, Redmond's Center, which is in close proximity to Microsoft, other technology firms and affluent homeowners, and the University District, First Hill/Capital Hill, and Uptown, which all have dense housing and large institutions located in them (University of Washington, multiple hospitals, and the Seattle Center respectively). These "built-in" functions and characteristics provide these Urban Centers with high market demand for services and retail, and thus a naturally ideal place to locate firms.

Other Urban Centers, many of them in suburban cities, have less "functional and institutional" market demand to rely on, and therefore must look to the residents of their cities as a whole, and to those who work in or near their Urban Centers, to

drive demand for the retail and service firms located in the Centers. There are of course exceptions to this, such as the King County Regional Justice Center in Kent, the Airport in SeaTac, Evergreen Hospital in Totem Lake, and Auburn Regional Medical Center in Auburn. These other Centers, especially Centers with “historic downtowns – Auburn, Kent, Renton, and Burien – may also receive competition from auto-oriented commercial corridors outside the Centers but located near them in the same cities. This further decreases market demand for firms in Centers, as these areas provide more convenient substitutes for local residents and other consumers. Although some of the suburban (and urban) Urban Centers are focused around regional retail shopping malls, such as Northgate, Tukwila, Federal Way and Totem Lake, and have fairly high market demand for retail due to their concentration and focus, some of these shopping malls are having difficulty competing with newer retail options, and are thus looking to redevelop, as mentioned earlier.

As can be seen by this qualitative analysis of the Urban Centers in King County, market demand for existing and future firms in Urban Centers does vary by Center, and is driven by function, substitutes, population, proximity of surrounding population, employment levels, and resident income levels, among other things.

Image of location – Prestige and Stigma

The idea of image or prestige of a location as a community asset, and stigma as a community liability, were factors of positive and negative job development heard repeatedly about Urban Centers in King County. Although grounded only in an individual’s perception of a location, it is a very powerful factor nonetheless. It is also a factor that seemed to split King County into two areas: north King County and south King County.

Urban Centers in the north of King County, including Centers in Seattle, Bellevue, Redmond, and to a lesser degree in Totem Lake and Northgate, all seemed to have a fairly prestigious image. This image seems to come from the fact that Seattle and Bellevue, as the largest cities in King County, have the greatest

amount of culture, activity and professional opportunities. Seattle especially is seen as a “hip city”, with quality housing options, many smart young urban professionals, and great opportunities. As mentioned in the market demand case study, many of the Urban Centers in Seattle have large institutions that anchor the Centers, such as the University of Washington, the Seattle Center, and the Downtown Business and Shopping District and Pioneer Square core. These institutions add to the prestige of the Centers, and become positive factors in their own rights. As well, the suburban cities on the Eastside of Lake Washington, such as Bellevue, Kirkland, and Redmond, have higher median incomes, many high-skilled jobs, and high tax bases.⁵¹ All of these positive attributes give a level of credence to the north King County Urban Centers that is hard to replicate. In colloquial terminology, this credence is analogous to excellent word of mouth advertising. This becomes a very positive factor for firm location, and drives many of the other factors that are needed for job development, such as a high market demand, a quality skilled labor force, and quality housing options.

On the other hand, stakeholders interviewed for this report stated that many of the Centers in the south of King County, which include Renton, Burien, Tukwila, Kent, Auburn, SeaTac, and Federal Way, seem to have a stigma surrounding them.⁵² This stigma seems to come from the industrial, farming, “blue-collar”, smaller-town roots of many of these cities. As well, south King County also has a greater share of low to moderate-income individuals than north King County, which also adds to the stigma.⁵³ According to Nathan Torgelson, the Economic Development Manager from the City of Kent, Kent has had to battle the stereotype of it being a cultural backwater, as first joked about on former local comedy show *Almost Live*.⁵⁴ Although much of this stigma may drive away quality housing development or other types of new mixed-use development as opposed to retail jobs, these types of development often have large effects on firm location in the

⁵¹ Communities Count, *Social and Health Indicators Across King County*, (2005).

⁵² Multiple Stakeholder interviews.

⁵³ Communities Count, *Social and Health Indicators Across King County*, (2005).

⁵⁴ Nathan Torgelson Interview, 3/16/06.

future. Regardless of the exact outcomes, being stereotyped as undesirable, unsophisticated, or uncultured is not good for firm location. Although this is starting to change, much of it due to the Urban Center strategy and Center revitalization, the stigma surrounding south King County seems to still be a liability when it comes to job development.

4.4 Development Strategies to Incentivize Firm Location in King County Urban Centers

STRATEGIES

What is an appropriate plan of action to align positive factors?

Strategy - a systematic long-term plan of action for achieving an objective

In August of 2003, the PSRC published ‘*The Development Toolkit: Success Stories from the Regional Growth Centers*’. The *Toolkit* was greatly informed by the work of Vasche and Jennings, whose work has also informed this paper.⁵⁵ According to the *Toolkit*, “specific tools or regulations do not make successful Centers (although they do matter); rather, dedicated, committed, and creative leaders and citizens make successful centers”.⁵⁶ Furthermore, the document goes on to describe the lessons learned concerning successful Urban Centers throughout the Puget Sound Region. These include:⁵⁷

- The greatest successes came from collaboration,
- This isn’t rocket science; actions and leadership more than technical tools make the difference,
- There’s no such thing as a free lunch; public investment is key,

⁵⁵ Puget Sound Regional Council, *Development Toolkit: Success Stories from the Regional Growth Centers*, (2003).

⁵⁶ Puget Sound Regional Council, *Development Toolkit: Success Stories from the Regional Growth Centers*, (2003).

⁵⁷ Puget Sound Regional Council, *Development Toolkit: Success Stories from the Regional Growth Centers*, (2003).

- The pump must be primed; public funds must be spent up front for private investment to follow,
- Build support by delivering on promises and projects,
- Know your role; not every Urban Center is going to be a world class destination,
- Bite off what you can chew; focus on projects and actions that can be completed,
- Don't be shy; market your Center and your Center's successes,
- Sidewalks are too expensive to roll up at night; create 12-, 16-, and eventually 24-hour places,
- Walk loudly and carry a small stick; development should be encouraged through incentives, not regulation, and
- Rome wasn't built in a day; Urban Center development is a long-term endeavor.

All of these lessons are being mentioned up front in this section because they are used as the starting point for the strategies and tools identified in this paper. Although this paper focuses more on the “technical tools and strategies” of job development, the greater picture surrounding strategies cities use to create, install, manipulate and align the positive factors that influence firm location in their Urban Center are encompassed in these lessons. Interviews conducted for this paper corroborate PSRC's findings. Again and again, the understanding that strong leadership drives the implementation of an Urban Center's vision, and that public money must be spent up front to lure commercial and residential development was heard. Based on this confirmation of findings, these lessons are the first piece of the job development strategies that must be used by cities to incentivize firm location.

Job development strategies, as identified earlier, are systematic long-term plans of action that cities use to create, install, manipulate and align the positive factors that will influence firm location in their Urban Center. Strategies can take many forms, from focusing on housing options, to creating more favorable financial climates for firms. Strategies chosen by cities to incentivize firm location and job growth in their Urban Centers will depend on the city's desired alignment of factors

and on their ability to manipulate the factors in their Center. Thus, not all strategies will be employable in all Urban Centers. It is ultimately up to individual city planners and leaders to determine which strategies would be the most efficient and effective at influencing firm location, given the city's resource and political constraints.

Similar to the list of factors of firm location, the following list of job development strategies is organized by job development category and typifies strategies heard from many cities in King County and researched in the literature. This list encompasses the second piece of the job development strategies that cities must use to incentivize firm location. Although this list is not exhaustive, it does provide a foundation of various strategies that have been generally employed to incentivize firm location and job growth.

List 4.2: Job Development Strategies that Incentivize Firm Location

Business Location Strategies

- Create Favorable Development Environment
- Partner With Private Developers to Create Mixed-Use Development
- Identify and Market Available Commercial Space and Development Opportunities

Market Strategies

- Create Economic Development and Job Development Action Plan for Urban Center
- Market Urban Center Assets to Firms

Quality of Life Strategies

- Create Third Place (public place not related to employment or housing that can be shared and enjoyed by the community)
- Create Community Focal Point
- Minimize Urban Center Liabilities
- Market Urban Center and City Lifestyle
- Enhance Urban Center Design and Aesthetic

Workforce Strategies

- Create Quality Housing Options In and Around Urban Center
- Create Affordable Housing In and Around Urban Center
- Provide Adequate Transit Options

Infrastructure Strategies

- Provide Adequate Transportation Connections and Network
- Partner with Developers to Provide Infrastructure For Favorable, Large Commercial and Residential Development and Redevelopment
- Provide Adequate Municipal and Technology Infrastructure
- Market Urban Center Transportation and Infrastructure Assets to Firms

Economic Strategies

- Provide Tax Incentives for Firm Location
- Ensure Access to Capital
- Provide a Favorable Permitting and Regulatory Environment

Strategies in King County

Most, if not all, of these strategies have been used by cities in King County to obtain sustained and varied job growth in their Urban Centers. Although this paper does not identify all of the strategies used by all cities to encourage job growth in their Urban Centers, there does seem to be many cities that have engaged in the same strategies. These strategies were identified by Planning Directors and Economic Development Managers during stakeholder interviews. They include creating a favorable development environment, partnering with private developers to create mixed-use development (including the creation of housing), creating a third place and community focal point, enhancing Urban Center design and aesthetic, marketing the Urban Center lifestyle and amenities, marketing available Urban Center commercial property, and providing adequate transit options.⁵⁸ The following section presents examples of how Urban Centers utilized various strategies. These examples should be thought of as case studies, and should provide insight into municipal decisions regarding strategies used to incentivize firm location.

Case Study Urban Center Strategies

The cities of Kent, Burien, Redmond and Kirkland for example are creating or have created “community focal points” through their Kent Station/Project Springboard, Town Square, Redmond Town Center, and Totem Lake Mall redevelopment projects, respectively. These projects have created open space,

⁵⁸ Multiple Stakeholder interviews.

mixed-use retail and residential development, and activity spaces (Green River Community College branch in Kent Station and King County Library in Town Square) in their Urban Centers.⁵⁹ Providing a focal point creates a sense of place and community in Urban Centers which firms, cities, and individual citizens have identified as important assets and public goods.

All of these projects also utilized partnerships with private developers to create mixed-use development. Partnership tools, which will be discussed in the next section of this chapter, varied by project, but all involved strong leadership, up front capital investment and some assumed financial risk on behalf of the cities.⁶⁰ This strategy is often seen as a way to create “pioneer development” in Urban Centers that have seen stagnant investment or disinvestments over recent years. This pioneer development, if successful, establishes demand for retail, office and residential space where the private development community may have been unwilling to develop on their own.

Many cities have also provided enhanced transit options by partnering with either Sound Transit or King County Metro to create transit centers in their Urban Centers. This not only provides greater transportation links to the Urban Centers from other Centers and areas within the region, but also provides an additional focal point for the Urban Center. The Auburn, Bellevue, Burien, Federal Way, Kent, Northgate, Redmond, Renton, Seattle CBD, Totem Lake, and Tukwila Urban Centers have all had, are currently having, or have plans to construct transit centers in the near future.⁶¹ Many of these transit centers currently feature or will feature adjacent structured parking, some form of transit-oriented development (TOD), often residential, and retail development nearby.

⁵⁹ Nathan Torgelson interview, 3/16/06, Eric Shields interview, 3/28/06, and Richard Loman interview, 4/12/06.

⁶⁰ Nathan Torgelson interview, 3/16/06, Rob Odle interview, 3/17/06, Eric Shields interview, 3/28/06, and Richard Loman interview, 4/12/06.

⁶¹ King County Metro Transit. 2006. Retrieved March 23, 2006. <http://transit.metrokc.gov>.
Sound Transit. 2006. Retrieved March 23, 2006. <http://www.soundtransit.org>

As noted in the Dugan research, a study was conducted in the San Francisco Bay Area concerning development around stops along the Bay Area Rapid Transit (BART) line. In the study, a strong correlation was found between heavy rail transit stops and the development of high-density centers.⁶² It was also found “that the only stops where high-density development did not occur had low zoning standards, unsupportive communities, or very weak real estate markets.”⁶³ Specifically:

“Where barriers do not exist, a sizable amount of new development has generally occurred (at BART stops) when local governments encourage it. BART had a strong influence on the built form that emerged – concentrated mixed-use development that is conducive to transit riding”.⁶⁴

This highlights the understanding that the strategy of creating transit options can also increase job and housing density in Urban Centers. Although only some of the Urban Centers in King County have or are scheduled to have fixed transit stops (heavy or light rail), the other transit centers mentioned above provide enough of a focal point to potentially influence concentrated development in the future.

Marketing both Urban Center lifestyle and amenities in addition to available commercial property and development opportunities is another strategy that many cities have engaged in for their Urban Centers. Marketing strategies usually employ branding and website portals, although other more traditional advertising may also be used. The City of Renton, for instance, maintains a website called *Renton Market* exclusively for economic development purposes in the Urban Center and other areas in the city.⁶⁵ This website highlights the city’s and Urban Center’s assets, available commercial properties, and current development projects (including all that is happening in the Urban Center) among other things. This is an example of a tool used to implement both marketing strategies.

Finally, many cities have engaged in the strategies of creating a favorable development environment and enhancing Urban Center design and aesthetic.

⁶² Dugan, Mary Michaellyn, *Managing Growth: Regional Trends in Urban Center Development in Suburban King County*, (2002).

⁶³ Dugan, Mary Michaellyn, *Managing Growth: Regional Trends in Urban Center Development in Suburban King County*, (2002).

⁶⁴ Cervero, Robert and John Landis, *The Transportation-Land Use Connection Still Matters*, (1995).

⁶⁵ Ben Wolters interview, 3/17/06.

These are strategies that use tools that cities have a high amount of control over, such as zoning, permitting, and capital investment in municipal infrastructure (streetscape, signage and urban design features). These tools (and therefore the strategies themselves) will be discussed in greater detail in the next section of this chapter when the discussion of tools used to incentivize firm location is held.

Unemployed Urban Center Strategies

In addition to these examples of strategies that have been engaged in by many cities, there are also some strategies that did not seem to be used by cities in King County. The most prominent of these strategies is providing tax incentives for firm location. According to a 2003 Economic Incentives Study authored by the Washington Alliance for a Competitive Economy (WashACE):

Use of economic incentives is clearly a competition in which Washington State often fares poorly. At a base level, the tax and regulatory burden levied on businesses in Washington is among the nation's highest. The state also offers little in the way of tax relief, direct workforce training grants or other economic incentives that would encourage business retention, expansion and location.⁶⁶

This sentiment was also echoed by Ray Moser, King County Economic Development Manager. According to Mr. Moser, "Washington State in general allows for very few tax incentives for economic development purposes; in fact, the State Business and Occupation (B&O) tax is a large disincentive for business location in our state".⁶⁷ The tax incentives that are allowed in Washington State primarily benefit rural areas of the State. Thus, there are very few tax incentives available to cities to attract firms to their Urban Centers. This underscores the limitations of this strategy for all urban cities in Washington State, not just those cities looking to encourage growth in their designated Urban Center. The exception to this is tax incentives that cities have control over, such as a city B&O tax. Although specifically defined as a *tool* in this research as opposed to a strategy, this was one tax incentive that was used by multiple cities to affect firm location.

⁶⁶ Washington Alliance for a Competitive Economy, *2003 Economic Incentives Case Study: Keeping and Attracting Businesses*, (2006).

⁶⁷ Ray Moser interview, 3/22/06.

This brief review of case study strategies cities in King County are (and are not) using to encourage firm location in their Urban Centers provides some depth about which strategies are being employed. However, greater depth surrounding this issue would be informative for both policy makers at various cities and at the County and Regional level. Cataloging all strategies that are being employed in all King County Urban Centers is an opportunity for further study that will be discussed in Chapter 6 of this paper.

4.5 Tools to Implement Job Development Strategies in King County Urban Centers

TOOLS

How will the strategy be accomplished?

Tool - the devices and activities used for accomplishing a strategy

Now that the development strategies have been outlined, the tools used to implement those strategies must also be identified. As stated in section 4.2, tools are being defined as the devices and activities that cities utilize to implement their identified job development strategies. These can range from regulatory policies, to capital investment, to public/private partnerships. Whatever mechanisms are at a city's disposal to implement a strategy can be identified as a tool.

Similar to the identified factors and strategies of job development, tools are being categorized by the job development categories outlined in section 4.2. However, use of various tools is not restricted to specific strategies as defined by these categories. The categories were created to provide a helpful context in which to think about and understand job development factors, strategies and tools. Due to the fact that tools are devices and actions, any tool or combination of tools can be used to implement any number of strategies.

It is also appropriate to state up front in this section that the number and scope of the tools available to cities is somewhat limited. Due to the fact that cities are trying to incentivize firm location by aligning positive factors in their Urban Center, it is evident that cities cannot mandate job growth to occur. Job growth and development are predominantly dictated by the private market and private firm decision-making. Although a city can locate their city hall, police department, corrections facilities, and other municipal functions in their Urban Center (which boosts job growth and benefits the Urban Center strategy) relying solely on public sector employment to achieve success is very insufficient. In 2002, roughly 30% of covered employment in King County was classified in the Government/Education sector.⁶⁸ This leaves roughly 70% of current employment in the private sector. Thus, tools used to implement job development strategies must primarily focus on incentivizing private sector firms to locate in Urban Centers.

As well, because some factors of job development are outside the control of municipalities, such as market demand for new business, many cities may find that job growth is not occurring in their Urban Center even though tools are being employed to incentivize that growth. Furthermore, there is only so much job growth that can occur in Urban Centers at any one time. This may be partly explained by the lack of positive factors of development in some Centers, partly explained by strategy and tool ineffectiveness, and partly unexplainable. According to Chandler Felt, Director of the King County Benchmarks Program, “planners and elected officials need to remember that not all cities or Urban Centers grow at the same time; this may be Bellevue's time to shine now, and Federal Way's time may be in 2018. There's not enough growth in most given years to sustain breakneck development in fifteen Centers at once.” Given these limitations, tools should still be thought of as useful, even though their use may not equal immediate job growth in all Urban Centers.

⁶⁸ King County Office of Management and Budget, *King County Annual Growth Report*, (2005).

The following list of job development tools is organized by job development category and identifies many of the tools heard from cities in King County and researched in the literature. Although this list is not exhaustive, it does provide a foundation of various tools that have been used to implement strategies that incentivize firm location and job growth.

List 4.3: Tools Used to Implement Job Development Strategies

Business Location Tools

- Rezone Urban Center for Greater Density
- Rezone Urban Center for Mix of Uses
- Expedited Permitting Process for Urban Center Development or Redevelopment
- Planned Action SEPA
- Land Assembly for Commercial Development or Redevelopment
- Transfer of Development Rights

Market Tools

- Survey Urban Center to Create List of Assets
- Convene Citizens, Current Business, City Leadership and Other Stakeholders to Determine How Best to Implement City Comprehensive and Economic Development Plans
- Create a Brand for the Urban Center
- Create an Economic Development Marketing Campaign with an Internet Portal

Quality of Life Tools

- Create Open Space
- Relocate/Enhance Municipal Campus in Urban Center
- Encourage Liability Businesses to Relocate in Other Sections of City
- Partner With Urban Center Business Partnership or Chamber of Commerce to Market City Activities and Community Assets
- Make Capital Investment in Pedestrian Friendly Amenities and Infrastructure (streetscape, sidewalks, signage, etc.)

Workforce Tools

- Decrease Parking Requirements for Residential Housing Units
- Ten-year Property Tax Abatement Program for New Multi-family Housing Construction
- Property Tax Abatement for Affordable Housing
- Partner with Regional or County Governments to Construct Transportation Hub or Transit Center and Transit Connections between Hub and Other Areas of Urban Center

Infrastructure Tools

- Make Capital Investment in Transportation Connections and Network
- Waive Development Fees For Large Commercial Development if City will Recoup Fees In Sales Tax Revenue
- Partner With Other Governmental Entities or Make Capital Investment in Municipal Infrastructure (water lines, sewer lines, etc.)
- Partner With Other Governmental Entities or Make Capital Investment in Technology Infrastructure (broadband, telecommunication infrastructure, etc.)
- Enhance Economic Development Marketing Campaign by Emphasizing Transportation Assets in Urban Center

Economic Tools

- For Urban Centers With Historic Main Streets, Provide Main Street Tax Credit Incentive Program (Must Qualify With WA State CTED)
- Do not charge a city B&O tax

Tools in King County

Most of these tools have been used by cities in King County to implement job development strategies and ultimately incentivize firm location in their Urban Centers.⁶⁹ Some of the tools however were identified in the literature, but were not identified by stakeholders as tools that have been used. Similar to section 4.4, this section of the paper does not identify all of the tools used by all cities in King County to encourage job growth in their Urban Centers. However, tools that were used most prevalently by cities and which cities utilized them are presented. Additionally, some examples of tool use that wasn't necessarily prevalent but was effective are also provided. There will also be a discussion in Chapter 5 of the tools that are most beneficial to implementing job development strategies given the various characteristics that exist in groupings of Urban Centers.

Based on stakeholder interviews, the tools that were found to be most prevalent are tools that cities have a great amount of control over. These include rezoning Urban Centers for greater density, rezoning Urban Centers for a mix of uses, making capital investments in pedestrian friendly amenities and infrastructure, creating open space, employing a ten-year property tax abatement program for new multi-family housing construction, and marketing and branding Urban Centers for

⁶⁹ Multiple Stakeholder interviews.

economic development purposes.⁷⁰ All of these correspond directly to many of the powers that reside with local government, such as control of land use, control of capital investment, and control of local marketing. Many of the other tools rely on partnerships or greater levels of capital investment, often created through partnerships. Although these tools can often times be more powerful than the tools that were found to be most prevalent, they are usually harder to utilize and often times require longer time-frames to implement.

An example of a tool that was also very prevalent but relied heavily on partnerships with other public agencies is partnering with regional or county governments to construct transportation hubs or transit centers. Although cities have little control over construction of transit centers, Urban Centers by their very nature are prioritized for regional transportation investment by the PSRC.⁷¹ This becomes one the major incentives for cities to designate Urban Centers in the first place and adopt Urban Center strategy language in their comprehensive plans. Transit centers are a major tool for job attraction as they both connect the labor market with the Urban Center, providing access to work which is desirable to employers, and act as catalysts for future development. Calthorpe and Fulton, in their work, *The Regional City: Planning for the End of Sprawl*, make a strong case that transit stops can become the focus of new pedestrian-friendly development that includes dense housing and a mix of other uses.⁷²

Based on this, most Urban Centers in King County either have a transit center located in them, or are planning for transit center construction. The only Urban Centers with no transit center (either heavy rail, light rail or bus) are First Hill/Capital Hill, SeaTac, University District and Uptown/Seattle Center. If however future Sound Transit north/south link light rail stations are considered, then only Uptown/Seattle Center would be without a transit center.

⁷⁰ Multiple Stakeholder interviews.

⁷¹ Puget Sound Regional Council, *Vision 2020 Update: What's Next*, (2004).

⁷² Calthorpe, Peter and William Fulton, *The Regional City: Planning for the End of Sprawl*, (2001).

As for tools that were used most prevalently, many cities in King County used a combination of tools to implement job development strategies in their Urban Centers. Table 4.2 identifies the tools used most prevalently (some tools have been combined), and the cities using the tools.

Table 4.2: Job Development Tools Used Prevalently by Cities in King County

	Auburn	Bellevue	Burien	Federal Way	Kent	Kirkland	Redmond	Renton	Seattle	SeaTac	Tukwila
Rezoning Urban Centers for greater density and mix of uses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Making capital investments in pedestrian friendly amenities, infrastructure, or open space	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Employing a ten-year property tax abatement program for new multi-family housing construction	✓		✓	✓	✓			✓	✓	✓	
Marketing and branding Urban Centers for economic development purposes	✓	✓	✓	✓	✓		✓	✓	✓		✓
Partner with Regional or County Governments to Construct Transportation Hub or Transit Center and Transit Connections between Hub and Other Areas of Urban Center	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Other tools, even though they were not found to be prevalently used by cities, were determined to be very effective at aligning positive factors of job development. One of these tools, encouraging “liability businesses” to relocate to other sections of a city, was found to be very effective in Kent’s, Renton’s and Auburn’s Urban Center.⁷³ All of these cities had businesses that dominated their Urban Center landscapes, and were liabilities for housing development and other retail and office development. In Kent, the Borden Chemical Plant sat at the North end of the Urban Center, and was a disincentive for other businesses to locate near or around it. The City of Kent bought out the company, who subsequently relocated, and then demolished the plant and cleaned up the site. This then became the site of Kent Station, which has been mentioned as the outcome of another strategy, creating a mixed-use focal point for the city. In Renton, car dealerships were prevalent in downtown Renton prior to the city partnering with the dealerships and moving them to an area south of the Urban Center. Likewise in Auburn, multiple taverns dominate the downtown portion of the Urban Center, potentially pushing out interested housing developers and other retail and office firms who might like to locate there. Auburn is currently trying to relocate many of these taverns into an area outside of the main street shopping district in the Urban Center.

Additionally, the cities of Bellevue, Burien, Redmond, and Seattle (CBD) have all relocated/enhanced their city halls and municipal campuses in their Urban Center, or have plans to do so in the near future. Although this is a tool that requires a very high amount of capital investment and planning, locating a municipal campus in an Urban Center provides a vital connection between city government, citizens of the city, and the Urban Center itself. This tool also implements the job development strategy focusing on creating a community focal point and a “third place”. Third places can be defined as “places where citizens of a community or neighborhood meet to develop friendships, discuss issues, and interact with others”.⁷⁴ According to the City of Bellevue:

Because of its location in the downtown core, the new (city hall) building is also expected to play a major role in other civic affairs. With a multitude of meeting rooms and other public spaces that will

⁷³ Nathan Torgelson interview, 3/16/06, Ben Wolters interview, 3/17/06, and Paul Kraus interview, 3/27/06.

⁷⁴ Nozi, Dom. “What is a ‘Third Place’ and Why Are They Important?” Walkable Streets. 1999. Retrieved April 4, 2006. Website: <http://user.gru.net/domz/third.htm>

be available to residents and business people, and a large plaza that will serve as our newest park, the new City Hall will undoubtedly become a focal point for a variety of activities.⁷⁵

Similar to section 4.4, this brief review of prevalent tools and examples of other tools that cities in King County are using to implement strategies in their Urban Centers provides some depth about which tools are being employed. Cataloging all tools that are being employed in all King County Urban Centers is an opportunity for further study that will be discussed in Chapter 6 of this paper.

⁷⁵ City of Bellevue. "It's Your City Hall". 2006. Retrieved April 5, 2006. Website: <http://www.ci.bellevue.wa.us/localservices/News/pdf/ItsYourNewCityHall.pdf>

CHAPTER 5: ALIGNING TOOL USAGE AND URBAN CENTER CATEGORIES

As mentioned in the Analytic Framework section of Chapter 2, not all tools identified in the Job Development Matrix will be applicable to all Urban Centers. Some tools may work equally well in all Urban Centers, whereas some may only potentially be effective in certain types of Centers. When determining which tools to use to implement various job development strategies, cities must be wary of both the costs and benefits of the tools given their individual Urban Center factors that make them unique. Although not all Urban Centers are the same, all Urban Centers do have some common characteristics that make them similar to other Urban Centers in various ways. Thus, this chapter will identify the most easily recognized commonalities between Centers, group them by those commonalities and determine which tools may be more effective given the those groupings. This will hopefully provide City leaders, Planning Directors and Economic Development Managers a starting point when deciding which tools to use to incentivize job growth in their Urban Centers.

It should also be noted that many of the cities in King County are already using many of the tools identified in this paper to incentivize job growth in their Urban Centers. Thus, the goal of aligning tools with Center categories is not to explain that specific cities should be using specific tools. Rather, the goal is to highlight that there are tools that would *potentially* be more effective in certain types of Centers. This should hopefully provide a rationale for why cities are using certain tools if they are already using them, or provide guidance on what tools might be effective to use if they are not currently being employed.

5.1 Urban Center Categories

Before tools from the Job Development Matrix can be aligned with identified categories of Urban Centers, the categories themselves must first be developed. So what sort of categories should be identified? There are many ways to categorize Urban Centers, from predominance of business sector, to level of workforce education, to land

use. However, in order to categorize centers, defining all of the factors that exist in each Center must be completed first so that the criteria for categorization are known. As stated in Chapter 4, this data collection was not completed for this paper. Thus, the categories that are being used are very general and apply to easy recognizable characteristics in each Center. Furthermore, for the sake of simplicity and brevity, only a few categories are being chosen. Although a more comprehensive list of categories might provide greater depth to the discussion of tools that are transferable between Centers, it would also require resources not currently available to the author. This therefore might also be an area of further study that could be pursued in the future.

The most general and easily recognizable characteristics in each Center relate to land use. Due to the fact that land use is a surface level characteristic of each Center, all centers are fairly easily categorized without great amounts of data collection and analysis. As well, land use also indirectly determines other characteristics of Centers, such as predominance of business sector and residential market potential. For instance, due to the fact that the Seattle CBD is highly developed and is used primarily for dense multi-family residential buildings and office towers, it would be very difficult to locate a manufacturing plant in the Center. It would however make sense to locate a professional firm needing office commercial space there. As well, zoning codes are typically narrowly defined by cities and regulate land use to a very high degree. Thus, due to the already formed uses of land and zoning codes in most Centers, further business sector development is for the most part predetermined. Additionally, in a Center such as Tukwila, where virtually no residential housing currently exists due to the fact that the Center is dominated by retail and greyfield development and the city did not zone for residential uses until fairly recently, the market demand for housing is very low. Although the city of Tukwila is trying to incentivize housing growth in their Center and may achieve dense housing developing in the future, in the short-term, the predominant land use has affected and continues to affect the residential market potential.

Additionally, the Puget Sound Regional Council has already categorized their Regional Growth Centers (Urban Centers) by land use in their 2002 Regional Growth Centers report.⁷⁶ According to the report:

Although the guidance provided in VISION 2020 describes three types of regional growth centers (Regional Center, Metropolitan Center, and Urban Center), the 15 designated regional growth centers can be grouped for analysis purposes into six general “types,” some of which are already established and truly “urban” places, and some that are now activity centers in suburban areas and which are undergoing rapid change. These six types have reasonably distinct characteristics.

- 1) *Regional Center* – the region’s single largest concentration of high-density employment and mixed forms of development that include high-densities of residential housing, commercial, cultural, and civic/governmental activity. This is downtown Seattle.
- 2) *Metropolitan Center* — these are central business districts of the region’s anchor cities. This is downtown Bellevue.
- 3) *Regional Activity Centers* — these are regional growth centers that the public typically recognizes as having a special purpose, dominant focus of activity, and related employment. This applies to the First Hill/Capitol Hill Center (medical); the Uptown Queen Anne Center (cultural/recreational), and the University Community Center (educational).
- 4) *Historic Centers* — these surround the historic downtown “Main Street” areas of the towns of Auburn, Burien, Kent, Redmond and Renton.
- 5) *Retail Shopping Centers* — these areas surround some of the region’s oldest and most significant regional shopping centers in Federal Way, Northgate, Totem Lake and Tukwila.
- 6) *Office Park and General Commercial Centers* — these are rapidly growing concentrations of office parks, or general commercial uses in SeaTac.⁷⁷

Furthermore, the PSRC report goes on to state that:

*Regional, metropolitan and historic centers generally have a more finely differentiated mix of commercial, residential, and civic activities, while the retail shopping and office park centers generally have a more commercial orientation. Within these “established” and “suburban” categories, the centers face common issues. The established centers, for example, have very little vacant land, so they face the challenge of encouraging growth through redevelopment. The less established regional growth centers often have more vacant and underdeveloped land than will likely be developed in the short term over the next few decades.*⁷⁸

The PSRC has done an excellent job of identifying Center categories by dominant land use. We are confident in the PSRC’s categorization of Centers due to the fact that the same characteristics of King County Urban Centers were found while conducting stakeholder interviews, conducting Urban Center site visits, and analyzing Urban Center quantitative data.

⁷⁶ Puget Sound Regional Council, *Central Puget Sound Regional Growth Centers*, (2002).

⁷⁷ Puget Sound Regional Council, *Central Puget Sound Regional Growth Centers*, (2002).

⁷⁸ Puget Sound Regional Council, *Central Puget Sound Regional Growth Centers*, (2002).

Based on this starting point, four identified land use categories are being used for this paper. They closely mirror the PSRC's designations with two exceptions. First, the *Regional Centers* and *Metropolitan Centers* categories are being combined into one category, called *Metropolitan Centers*, and second, the *Retail Shopping Centers* and *General Commercial Centers* are also being combined into one category. The categories of Urban Centers and their corresponding King County Urban Centers are identified in Table 5.1:

Table 5.1: Categories of King County Urban Centers

Urban Center Category	Identified King County Urban Centers
Metropolitan Center	Bellevue and Seattle CBD
Historic Center/Town Center	Auburn, Burien, Kent, Redmond and Renton
Regional Activity Center	First Hill/Capitol Hill, University District and Uptown/Seattle Center
Retail Shopping Center/Commercial Center	Federal Way, Northgate, SeaTac, Totem Lake and Tukwila

5.2 Effective Tools Usage by Urban Center Categories

Now that the Urban Center categories have been identified, the tools from the Job Development Matrix can be aligned with them to determine which tools may be more effective in implementing job development strategies. Alignment was determined by analyzing the identified tools used by cities to influence development in their Urban Centers and the characteristics and factors of individual Urban Centers and Urban Center categories. Tools were then aligned with Center categories that would most benefit from the use of the tool.

For example, decreasing parking requirements for residential housing units is a tool used to make development of Urban Center housing less expensive, and therefore more attractive to build. In Urban Centers that are already dense and have comprehensive access to public transportation, decreasing parking requirements is a significant cost saving measure that will not disincentivize potential developers, as they understand that there will probably be a market for new multi-family housing even if it

does not come with a parking space. Thus, the Metropolitan Center and Regional Activity Center Categories are best aligned with this tool. In less dense suburban Centers, there is typically more space for parking construction, making it less costly, and greater reliance on the automobile. Therefore Historic Centers/Town Centers and Retail Shopping Centers/Commercial Centers would probably not be best aligned with this tool. Although there may individual circumstances in some Historic Centers/Town Centers and Retail Shopping Centers/Commercial Centers where this tool might be very effective, in general, it would not be. Thus, due to the fact that not all of the tools used by all cities in King County to encourage job growth in their Urban Centers were identified, the analysis of tool alignment with Center categories should not be seen as definitive, but rather as a starting point.

In general, there seems to be two groupings of Center categories that have the most commonality: Metropolitan Centers and Regional Activity Centers, and Historic Centers/Town Centers and Retail Shopping Centers/Commercial Centers. Metropolitan Centers and Regional Activity Centers are the most highly developed Urban Centers and currently have the greatest employment densities among the categories of Urban Centers in King County. The Urban Centers in the Metropolitan Center and Regional Activity Center categories range in employment densities of 41.71 jobs per acre to 154.91 jobs per acre, while the Urban Centers in the Historic Center/Town Center and Retail Shopping Center/Commercial Center categories range in densities of 5.53 jobs per acre to 30.41 jobs per acre.⁷⁹ Many of the tools used to incentivize job growth in the Metropolitan Centers and Regional Activity Centers have also been in place for quite some time. The city of Seattle for instance rezoned the Belltown section of the Seattle CBD Urban Center in 1985 to encourage residential development in a primarily commercial area.⁸⁰ Although it took roughly ten more years before residential housing developers believed the market existed for them to develop dense multi-family housing in the Center, the tool had been employed and was a part of Seattle's zoning code for a long time. As well, these categories of Centers also have many positive factors that influence

⁷⁹ King County Benchmarks Data.

⁸⁰ Tom Hauger interview, 3/14/06.

firm location already in place, as mentioned in section 4.3, and therefore potentially require fewer job development strategies and tools to create job growth.

Many of the Historic Centers/Town Centers and Retail Shopping Centers/Commercial Centers on the other hand are in transition, and their cities are just beginning to incentivize job growth by utilizing various job development strategies and tools. This is especially the case for some of the Retail Shopping Centers/Commercial Centers, which are being redeveloped with significant capital investment. Although some of these Centers are farther along in this process than others, in general, both Historic Centers/Town Centers and Retail Shopping Centers/Commercial Centers may benefit from the use of greater numbers of tools and greater combinations of tools to implement their various job development strategies.

Although this general distinction exists between the two groupings of categories, some tools may be more effective in only one Center category, whereas others may be effective in three categories. For the most part however, tools seemed to be most effective either in Historic Centers/Town Centers and Retail Shopping Centers/Commercial Centers, Metropolitan Centers and Regional Activity Centers, or all Centers regardless of category.

Table 5.2 identifies all of the tools noted in the Job Development Matrix and aligns them with categories of Centers that would benefit from their use. As stated earlier, it should be noted that all Centers have the potential to benefit from all tools. This table merely presents the tools that might be most beneficial to the four categories of Centers, given their zoning and land use distinctions, how land use indirectly determines other characteristics of Centers, and the development and redevelopment stages that the categories of Centers are generally in. Furthermore, it should be noted that if all cities in an Urban Center category are already employing a specific tool, that category is not shown on the table. This is being done in order to show only those categories of Centers that may benefit from using a specific tool in the future. Table 5.2 is organized by Job Development Category, similar to the Job Development Matrix.

Table 5.2: Urban Center Categories that Would Benefit from Job Development Tools

Business Location Tools	Center Categories that Would Benefit from Tools Usage	Analysis of Tool and Urban Center Category Alignment
Rezone Urban Center for Greater Density	<ul style="list-style-type: none"> • Regional Activity Center • Historic Center/Town Center • Retail Shopping Center/Commercial Center 	In Urban Centers that already have very high residential and commercial density, such as Metropolitan Centers, rezoning for increased residential and commercial density is not necessary
Rezone Urban Center for Mix of Uses	<ul style="list-style-type: none"> • Historic Center/Town Center • Retail Shopping Center/Commercial Center 	In Urban Centers that already have a mix of uses, such as Metropolitan Centers and Regional Activity Centers and some Historic Centers/Town Centers, rezoning for a mix of uses is not necessary
Expedited Permitting Process for Urban Center	<ul style="list-style-type: none"> • All Center Categories 	All cities can expedite permitting for their Urban Centers, causing development costs to be less expensive for developers, and thus incentivizing development in Urban Centers
Planned Action SEPA	<ul style="list-style-type: none"> • Historic Center/Town Center • Retail Shopping Center/Commercial Center 	In Urban Centers that already have fairly high demand for new development, such as Metropolitan Centers and Regional Activity Centers and some Historic Centers/Town Centers, a planned action SEPA is not necessary, as private sector developers are more willing to pay for and conduct their own Environmental Impact Statements
Land Assembly for Commercial Development or Redevelopment	<ul style="list-style-type: none"> • All Center Categories 	All cities can assemble land in their Urban Centers for private sector development purposes, causing overall development costs to be less expensive for developers, and thus incentivizing development in Urban Centers
Transfer of Development Rights	<ul style="list-style-type: none"> • Historic Center/Town Center • Retail Shopping Center/Commercial Center 	In Urban Centers that already have higher residential and commercial density, such as Metropolitan Centers and Regional Activity Centers, transfer of development rights is not necessary, as increasing density typically does not need to be managed as closely

Market Tools	Center Categories that Would Benefit from Tools Usage	Analysis of Tool and Urban Center Category Alignment
Survey Urban Center to Create List of Assets	• All Center Categories	All Urban Centers have assets that can be identified and marketed by cities
Convene Citizens, Current Business, City Leadership and Other Stakeholders to Determine How Best to Implement City Comprehensive and Economic Development Plans	• All Center Categories	All cities have internal and external stakeholders that can provide guidance and leadership on operationalizing development plans for their Urban Centers
Create a Brand for the Urban Center	• All Center Categories	All cities can brand their Urban Centers to market what is attractive about them
Create an Economic Development Marketing Campaign an with Internet Portal	• All Center Categories	All cities can market their Urban Center development opportunities via internet portals

Infrastructure Tools	Center Categories that Would Benefit from Tools Usage	Analysis of Tool and Urban Center Category Alignment
Make Capital Investment in Transportation Connections and Network	• All Center Categories	All cities can enhance their transportation connections and networks in their Urban Centers and to and from their Urban Centers
Waive Development Fees For Large Commercial Development if City will Recoup Fees In Sales Tax Revenue	• Historic Center/Town Center • Retail Shopping Center/ Commercial Center	In Centers that are already denser, such as Metropolitan Centers and Regional Activity Centers, much of the infrastructure that is paid for by development fees is already in place, and therefore development fees would probably not be charged to begin with
Partner With Other Governmental Entities or Make Capital Investment in Municipal Infrastructure (water lines, sewer lines, etc.)	• Historic Center/Town Center • Retail Shopping Center/ Commercial Center	In Centers that are already denser, such as Metropolitan Centers and Regional Activity Centers, much of the municipal infrastructure is already in place, and therefore additional capital investment is not required
Partner With Other Governmental Entities or Make Capital Investment in Technology Infrastructure (broadband, telecommunication infrastructure, etc.)	• Historic Center/Town Center • Retail Shopping Center/ Commercial Center	In Centers that are already denser, such as Metropolitan Centers and Regional Activity Centers, much of the technology infrastructure is already in place, and therefore additional capital investment is not required
Enhance Economic Development Marketing Campaign by Emphasizing Transportation Assets in Urban Center	• All Center Categories	All cities can market their Urban Center development opportunities by emphasizing their transportation assets

Workforce Tools	Center Categories that Would Benefit from Tools Usage	Analysis of Tool and Urban Center Category Alignment
Decrease Parking Requirements for Residential Housing Units	<ul style="list-style-type: none"> • Metropolitan Center • Regional Activity Center 	In Centers that are already denser, such as Metropolitan Centers and Regional Activity Centers, decreasing parking requirements for housing development makes the development less expensive, and thus more attractive to build. In less dense suburban Centers, there is typically more space for parking construction and greater auto reliance
Ten-year Property Tax Abatement Program for New Multi-family Housing Construction	<ul style="list-style-type: none"> • All Center Categories 	All cities can incentivize denser multi-family housing construction by decreasing property tax costs
Property Tax Abatement for Affordable Housing	<ul style="list-style-type: none"> • All Center Categories 	All cities can incentivize affordable housing construction by decreasing property tax costs
Partner with Regional or County Governments to Construct Transportation Hub or Transit Center and Transit Connections between Hub and Other Areas of Urban Center	<ul style="list-style-type: none"> • All Center Categories 	Although almost all Urban Centers have Transit Centers, transit connections in Urban Centers can be enhanced by all cities

Economic Tools	Center Categories that Would Benefit from Tools Usage	Analysis of Tool and Urban Center Category Alignment
For Urban Centers With Historic Main Streets, Provide Main Street Tax Credit Incentive Program (Must Qualify With WA State CTED)	<ul style="list-style-type: none"> • Historic Center/Town Center 	As this is an economic tool that applies only to small town main streets, Historic Centers/Town Centers is the only Center category that would align with this tool
Do not charge a city B&O tax	<ul style="list-style-type: none"> • Metropolitan Center • Historic Center/Town Center • Regional Activity Center 	As of 2004, Bellevue, Burien and the City of Seattle were the only cities with a city B&O Tax

Quality of Life Tools	Center Categories that Would Benefit from Tools Usage	Analysis of Tool and Urban Center Category Alignment
Encourage Pioneer Mixed-Use Retail/Residential /Commercial Development in Urban Centers	<ul style="list-style-type: none"> • Historic Center/Town Center • Retail Shopping Center/ Commercial Center 	In Urban Centers that are already fairly developed, such as Metropolitan Centers and Regional Activity Centers and some Historic Centers/Town Centers, pioneer development is not necessary as market demand for mixed use retail/residential/commercial development has already been established
Create Open Space	<ul style="list-style-type: none"> • All Center Categories 	All cities can create more open space to benefit current and future residents and employers
Relocate/Enhance Municipal Campus in Urban Center	<ul style="list-style-type: none"> • Retail Shopping Center/ Commercial Center 	Most cities already have their municipal campuses located in their Urban Centers; the exception to this are some of the cities with Retail Shopping Centers/ Commercial Centers
Encourage Liability Businesses to Relocate in Other Sections of City	<ul style="list-style-type: none"> • All Center Categories 	All cities can increase their Urban Center's profile and positive factors by decreasing liability businesses
Partner With Urban Center Business Partnership or Chamber of Commerce to Market City Activities and Community Assets	<ul style="list-style-type: none"> • All Center Categories 	All cities can partner with external entities to market their Urban Center's assets, tourism possibilities and civic activities
Make Capital Investment in Pedestrian Friendly Amenities and Infrastructure (streetscape, sidewalks, signage, etc.)	<ul style="list-style-type: none"> • All Center Categories 	All cities can make capital investments in pedestrian friendly amenities and infrastructure to make their Urban Centers more walk-able and live-able

CHAPTER 6: MAJOR THEMES, FURTHER AREAS OF STUDY AND POLICY SUGGESTIONS

As with any analytic endeavor, major themes surrounding the content of the research have come to the fore over the course of the analysis. These themes have been informed by what was heard from stakeholders, what was uncovered in the literature and what was observed in the data. Although the Job Development Matrix still provides the most concise answer to the research questions posed, the identified themes provide context about important issues surrounding the matrix. In other words, the major themes provide pieces of the larger picture surrounding Urban Centers in King County and the factors that influence and the tools that incentivize firm location.

Additionally, in conducting this research, certain limitations, specifically the lack of time and other resources, dictated the depth at which Urban Center factors, strategies and tools were studied. Thus, there are also further areas of study that have been identified so that much of the depth lacking in this paper can be brought to light through other research. Although all of the areas of further study are not stated here, the ones that have been identified as most relevant and pressing have been.

Finally, policy implications of the findings of this paper have also been identified. Although there are potentially multiple implications for local or regional policy, only two policy suggestions will be identified here, focusing on the King County Countywide Planning Policies. Although these suggestions do not recommend changes in policy, they do recommend changes in how policy outcomes are measured, so that “success” and “failure” of Urban Center strategies are less tied to strict job growth outcomes.

Major Themes

Although many themes were found to exist, four major themes have been identified that emerged throughout the course of the research for this project. The themes are: 1) centers are unique, 2) new job growth and development are predominantly dictated by the private market and private firm decision-making, 3) many successful strategies and tools rely on public/private partnerships, and 4) strong leadership drives strong Urban

Centers and job development strategies. The following section will provide some explanation of the major themes of this research and the context for King County Urban Centers.

The first theme highlights the fact that no Urban Center in King County is exactly alike. Although there are some similarities in Centers, as evidenced by the similarities in land-use that were noted in Chapter 5 of this report, each Center is still its own entity with unique factors, employers, citizens, political issues, community issues, markets and history. All of these unique qualities ultimately drive and shape the type of environment that exists in each Center. This report has focused on factors of Urban Centers and how they influence firm

location. As stated in Chapter 4, there are many Centers that have common factors, and others that don't. However, every Center has other qualities that also make each one unique, regardless of similar factors. This should be noted when analyzing the transferability of strategies and tools between Urban Centers. Just because one strategy or tool was successful in one Urban Center does not mean that it will definitely be successful in another, even though the Centers may have similar land-uses, predominant features, or employment bases. Thus, although there are tools that would potentially be more effective in certain types of Centers as stated in Chapter 5, this theme ultimately highlights the difficulty of using one Urban Center's success as an exact case study for another Urban Center, and shows the complexity of determining what specific strategies will be most effective in incentivizing firm location in Centers.

The second theme is another cautionary perception about the effectiveness of strategies and tools used to incentivize firm location. Although cities may make capital and programmatic investments in their Urban Center, there is no guarantee that firms will locate there. This is especially the case with Centers that have experienced stagnated

Major Themes Found in King County Urban Center Job Development Research

- 1) *Centers are unique*
- 2) *New job growth and development are predominantly dictated by the private market and private firm decision-making*
- 3) *Many successful strategies and tools rely on public-private partnerships*
- 4) *Strong local leadership drives strong Urban Centers and job development strategies*

job growth, are trying to transform their image, or are trying to transform from one predominant land-use and function to another, such as many of the Retail Shopping Centers/Commercial Centers. Dugan also echoes this theme in her research, especially in conjunction with south King County Urban Centers, as she found that “the amount of developable land in south King County has not placed market pressure on development of the Urban Centers in this area”.⁸¹ Although Dugan was primarily referring to housing development in this finding, the same idea can be applied to commercial development and job development.

The converse of this theme however, is that due to the restriction on land use created by the Urban Growth Boundary, development and redevelopment is being funneled inside the Urban Growth Area. Although this does not mean that development will necessarily occur in Urban Centers, it does mean that regardless of strategies and tools used by cities to incentivize firm location in Urban Centers, the private market and private firm decision-making has been restricted by government regulation. According to Rob Odel, Acting Planning Director for the City of Redmond, the drawing and designation of the UGA was the most significant regional decision that was made to make Urban Center development possible.⁸² This spurred on the first pioneer development in many Urban Centers, after which developers saw that market demand existed for this type of urban development. Thus, although new job growth and development are predominantly dictated by the private market and private firm decision-making, if private firm decision-making is regulated, Urban Centers may benefit from that regulation.

The third and fourth themes echo two of the lessons learned concerning successful Urban Centers identified by the PSRC in their *Development Toolkit*. Strong local leadership and public/private partnerships, more than any other “macro” tools, are the two most important aspects that cities can utilize to incentivize firm location. In order to make the Urban Center Strategy successful, the majority of firm location must come from the private sector. Partnering with individual firms, trade associations, Chambers of

⁸¹ Dugan, Mary Michaellyn, *Managing Growth: Regional Trends in Urban Center Development in Suburban King County*, (2002).

⁸² Rob Odle interview, 3/17/06.

Commerce or other economic development organizations to incentivize private sector firm location is a necessity. These kinds of partnerships form the backbone of many of the tools and strategies mentioned in this paper.

Additionally, having the political will to commit scarce local resources to any of the identified tools and strategies, especially resources that are used for capital-intensive projects, necessitates some form of strong leadership at the municipal level. Regardless of whether that leadership comes from the Mayor or City Manager, City Council or Departmental Directors, it is essential that it exist to drive implementation of Urban Center comprehensive planning and economic development planning.

According to Dick Loman, Economic Development Manager for the City of Burien, shortly after the City of Burien incorporated in 1993, the City Council decided to set aside municipal real estate excise taxes to fund land assembly costs for the redevelopment of Burien's Urban Center.⁸³ After waiting for more than a decade, the City Council will shortly see the fruits of their leadership, as the land that has been assembled and sold to a developer will be redeveloped into Burien's Town Square mixed-use development. In order to fund redevelopment of the Urban Center, the City Council felt that as a new city, it would be better for Burien to use saved tax revenue than debt financing. This sort of decision took long-term vision, political capital, and strong leadership. The whole Council was behind the decision, as they all felt that redeveloping Burien's Urban Center was right for the community and would help incentivize further job and housing growth in the City. This is an example of the type of leadership that is often necessary to transform an Urban Center into a place that will attract additional jobs and housing. Other stakeholders in multiple cities in King County have displayed leadership similar to this. In general, this type leadership is essential for Urban Center Strategy success and the achievement of overarching growth management goals.

⁸³ Richard Loman interview, 4/12/06.

Future Areas of Study

As stated in the introduction of this chapter, further areas of study have been identified so that much of the depth lacking in this paper has the potential to be researched in the future. Although there are many areas of study that can be looked at, three relevant areas are discussed here. They are:

- Cataloging all factors, strategies and tools that are being employed in all King County Urban Centers,
- Collecting data on firms in King County and developing a statistical model to help explain which factors are most effective at driving firm location in Urban Centers, and
- Determining where job growth is occurring in King County if it is not occurring in King County Urban Centers, and why

Cataloging all Factors, Strategies and Tools

In order to fully understand the dynamics of firm location in King County Urban Centers, a much more thorough analysis and description of all the factors that exist in all fifteen Urban Centers should be undertaken. This is a process that should be done collaboratively with cities, but lead by an external consultant. Specifically identifying and describing all of the factors in all Urban Centers will provide stakeholders with a very clear understanding of all the assets and liabilities in Centers. This should help staff and local leadership supplement their planning processes and create a baseline from which to begin identifying a desired alignment of factors.

As well, cataloging all strategies and tools that are currently being used in each of the fifteen Urban Centers, and those strategies and tools that are available to cities but aren't being used, should be undertaken. Although this paper does provide a starting point for this, producing a document for each of the Urban Centers that collects this information in one place will be helpful for city planners, staff focusing on economic development and elected city leadership. Cities do seem to have a good understanding of the tools and strategies that they are using to incentivize growth and development in their Urban Center. However, they may not have the best understanding of tools and strategies that are available to them that they are not currently using. Cataloging this

information for each Urban Center would provide both an excellent reference document and a policy document that could be used for educational or policy-making purposes.

Collecting Data and Developing a Statistical Model

Although this paper does identify some research about which factors are most important to firms when they determine where to locate, the research is very general and is not specific to different business sectors. Different firms are looking for different factors in both a location and a site, and understanding which factors are most important to firms may help cities create or enhance those factors in their City and Urban Center. As well, because firms in different business sectors are looking for very different assets in a location, determining which assets are most coveted by various business sectors would also help cities market their Urban Centers accordingly. Although much of this is already or intuitively understood by cities, there may be added value in analyzing firm location data in King County and modeling which factors in various Urban Centers best explain firm location, given firm characteristics and business sectors.

Determining Where Firms are Locating if they are not Locating in Urban Centers

A major policy question that has not been posed in this research, but is an outcropping of it, relates to where new job growth is actually occurring in King County. If only 26% of new jobs were created in King County Urban Centers in an eight-year period, roughly three quarters of all new jobs in that time frame were created outside the Centers. Did this job growth occur in Seattle and Bellevue, but outside the Seattle and Bellevue CBDs? Did this job growth occur in suburban areas in King County? In south King County? Understanding where new job growth actually occurred, and why it occurred there, is incredibly useful in trying to determine the factors of firm location outside of Urban Centers, and if those factors can be replicated in Centers.

This question also has large implications for the County's growth management strategy, as there may be other areas outside of Urban Centers that are pedestrian friendly, connected by transit and have taken high amounts of new job growth in patterns that are dense, compact, and mixed-use. Although new job growth such as this would

seem to align with the goals in the CPPs and correspond well to the overall growth management strategy, it would also “count against” the collective goal of having up to 50% of all new job growth in King County Urban Centers. Thus, the question is not only where is new job growth going in King County, but also what form is the job growth taking and does it represent more “sprawling” job growth or job growth that would be considered “smart”. Answering both of these questions would be a very relevant exercise and would provide value-added research to the Urban Center discourse.

Policy Suggestions

In the King County Countywide Planning Policies, two metrics of success are given for the Urban Center Strategy. One is directed by individual cities and the other is directed by the County itself. Cities are to establish growth target ranges for their own Urban Center(s), providing a benchmark for themselves concerning job and housing development. According to the CPPs:⁸⁴

Jurisdictions establish 20-year household and employment growth target ranges for each Urban Center. The target ranges reflect the diversity of the Centers, allowing communities to envision changes over the next 20 years and plan for needed services. The target ranges set a policy for the level of growth envisioned for each Center that not only considers land capacity but also the timing and funding of infrastructure. Reaching the target ranges will require planning, public investment, and incentives for private investments. Over time the Centers will move toward the development pattern envisioned in the Countywide Planning Policies.

Although this metric is valuable, it is also rather benign, as cities have the ability to set a range as low or as high as they wish. Thus, this type of self-imposed target may have little impact on a city’s decision to aggressively support the Urban Center Strategy and to ultimately incentivize firm location in their Urban Center.

King County on the other hand has a more direct metric of success for Urban Center job and housing growth over a twenty-year planning horizon. Again, according to the CPPs:⁸⁵

Within the County, Urban Centers are expected to account for up to one-half of employment growth and one-quarter of household growth over the next 20 years.

⁸⁴ Growth Management Planning Council, *Countywide Planning Policies*, (2005).

⁸⁵ Growth Management Planning Council, *Countywide Planning Policies*, (2005).

Thus, as stated previously in this paper, Urban Centers collectively are to roughly account for up to 290,000 new jobs (50% of projected job growth) between 2001 and 2022.

Although Urban Centers are technically meeting this metric now, as “up to one-half” could be as little as 1%, the intended goal is to have as close to 50% of the new jobs created in King County be created in Urban Centers. This is of course an admirable goal, and one that I think cities and the County should continue to strive for. However, due to the fact that no accountability measure has been cited in the CPPs if Urban Centers fail to meet this metric, there is again little incentive to push cities to support the Urban Center Strategy and aggressively incentivize firm location.

Fortunately, most cities do not have this problem, as city staff and leadership seem to embrace the Urban Center Strategy and densification and development of their Urban Center. The real concern for cities however is knowing if they will be successful in meeting either their self-established target or the collective target by 2022. If a city decides to use various strategies and tools to incentivize firm location in its Urban Center, and those strategies and tools are not successful at encouraging firm location, at what point does a city decide to use different strategies, as opposed to continuing to wait for their strategies to be successful? Should an interim target be self-ascribed by cities and should King County have a collective interim target of new job growth?

These questions lead to the understanding that providing cities with interim benchmarks of success may help them better manage the strategies and tools used to attract job growth in their Urban Centers. Setting intermediate measurable targets that cities individually or collectively should meet would provide more concrete benchmarks for cities to work towards. For example, if the Urban Center job development goal is 50% of all new jobs being located in Urban Centers in 20 years, then 30% of all new jobs should be accounted for in 12 years, 25% of all new jobs should be accounted for in 10 years and 15% of all new jobs should be accounted for in 5 years. Although this example may be unrealistic and may not reflect the realities of Urban Center job development in King County, it does highlight a strategy that helps cities understand if their current job development strategies are being effective in the short and long-term.

Additionally, many ideas were heard from Planning Directors during stakeholder interviews concerning various measures that could be used to gauge the health of Urban Centers. Responses included ideas such as the satisfaction level of residents, the amount of capital investment in physical amenities, the level of the jobs and housing mix, the amount of super-block conversion to pedestrian friendly streetscapes, the amount of new open space created, the number of people interacting in Urban Centers in the evening time, transportation mode split, and the amount of people shifting from auto use to transit use for their commute.⁸⁶ Although it would be difficult to collect data for some of these measures, they do provide interesting and more “holistic” metrics for the success of an Urban Center beyond the number of new jobs or housing units created. Many of these metrics provide a sense of the success or failure of the growth management aspects of the Urban Center Strategy, and would hopefully offer a better sense of if the negative effects of sprawl and unchecked growth are being mitigated.

Based on these findings, the policy suggestions for the King County Growth Management Planning Council are to create collective interim job and housing growth targets for King County Urban Centers and to identify other types of measures that Urban Center health and success may be judged by in the CPPs. The goal of these suggestions are not to provide specifics about how interim targets or additional measures should be structured, but rather to provide the GMPC with the analysis that Urban Center success is currently measured insufficiently. Correcting for this will add value to how the CPPs measure Urban Center success and how cities gauge their strategies for achieving this success.

⁸⁶ Tom Hauger interview, 3/14/06, Rob Odle interview, 3/17/06, Kathy McClung interview, 3/28/06, and Eric Shields interview, 3/28/06.